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Agenda Item:

Integration Joint Board

Date of Meeting: 15 December 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:

- Summarise the current year revenue budget performance for services within the remit of the IJB as at 31 October 2021.
- Advise on any areas of significant variances.

3. Recommendations

The Integration Joint Board is invited to note:

3.1. The financial position of Orkney Health and Care as at 31 October 2021, as follows:

- A current overspend of £168K on services delegated and an overspend of £262K on the set aside.
- A forecast year end underspend of £208K on services delegated and overspend of £350K on set aside, based on current activity and spending patterns.
- Additional funding has been agreed by Orkney Islands Council in regard to additional children's residential care which has a projected cost of £380K for this financial year.
- It is anticipated that there is additional funding available from the Council via the corporate contingency for children placed outwith Orkney if required at year end which has been included within the year end projection. Current estimations are a shortfall of £363K.

3.2. That a savings target of £4.2M has been applied for the three year period 2020 to 2023, of which only £259.4K of recurring savings has been identified to date.

3.3. That NHS Orkney has applied a savings target of £1.8M for 2021/22 (£800K carried forward from 2020/21), with zero savings identified to date. This is not included within the figures at 3.1.

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 Board 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. The budget proposals for 2021/22 were presented based on "business as usual", to the Board on 21 April 2021. However Scottish Government has recognised that extraordinary costs are being incurred and will continue to be incurred for the foreseeable future. For accounting purposes, these costs will be recorded separately.

5.1.2. 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, as illustrated in Annex 3, shows a projected spend across the partnership of £3.771M. It is hoped that some of these projections will reduce due to stepping down some additional staffing that has been required. These costs are mainly in relation to the isolation unit and additional staffing within Home Care, PPE and the COVID-19 assessment centre.

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 is related to the need for staff members to remain at home due to initial COVID-19 restrictions. However, it is anticipated some sickness absence will be long term and combined with significant recruitment challenges which are proving difficult to remedy, this has resulted in the need to employ locum staff.

5.2.2. Most importantly, the 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. There are also additional costs for residential care within Orkney due to the current children's house being at full capacity. However, Orkney Islands Council has agreed to fund this for this financial year. The projected cost of this additional facility is £380K.

5.2.5. There is also corporate contingency that can be drawn upon if required at year end in regard to Outwith Orkney placements which has been taken into consideration within the year end projection. The estimated shortfall based on current placement is £363K.

5.3. Home Care

5.3.1. The demand for Home Care continues to grow as the 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.

5.3.2. The introduction of Self Directed Support became an enabler for service users whereby they can choose to either have an in house service, funding to employ their own personal assistant or ask for another agency to provide the care. This meant that there is more choice for service users and where an in house service is at full capacity there are other options to receive the care. Unfortunately, due to the high

demand there has been no ability to reduce the in house provision and no significant investment within the last few years to meet the pressures within the service.

5.3.3. A seminar was held recently for all Elected Members and Members of the IJB to raise awareness about the service pressures. As there is more success in keeping individuals in their own homes those wishing to access the service have now consistently out-grown those no longer requiring the service.. Recruitment and staff absence issues have further compounded the issue.

5.3.4. At the time of writing, there are 25 people on the waiting list and at present there is no additional capacity within the third sector either which has further exacerbated the situation. To ensure service can be provided there is a requirement to source additional agency staffing in the short term.

5.3.5. Significant effort has been undertaken to hold a recruitment campaign with among other activities a trailer to be shown in the Pickaquooy Centre during December.

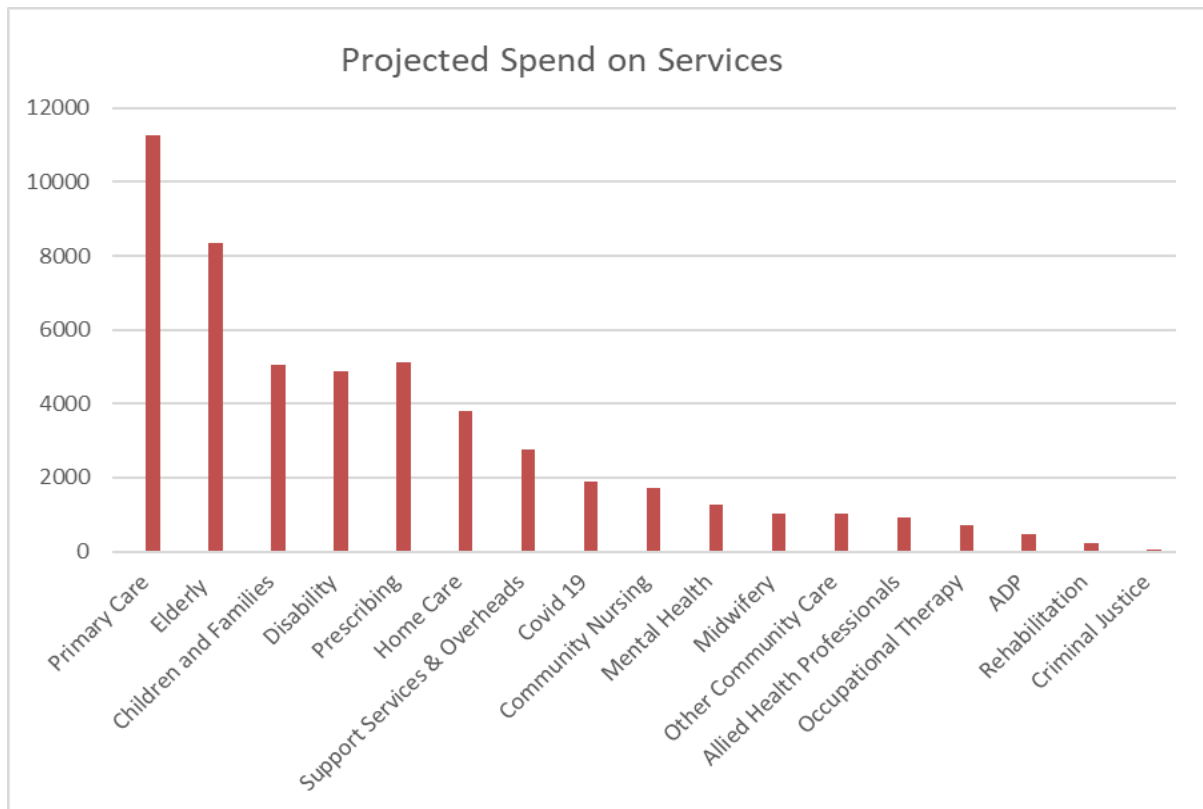
5.3.6. The overall financial position has improved for this financial year only with an allocation of the Further Integration Support funding from the IJB holding/reserves account.

6. Financial Position

6.1. The following table shows the current financial position as at 31 October 2021 and forecast year end position, based on current activity and expenditure, and includes anticipated future commitments to 31 March 2022. The year-end projection will be reviewed on a regular basis throughout the year.

	Spend YTD	Budget YTD	Variance YTD	Year End Projection	Annual Budget	Over/(Under) Spend	
	£000	£000	£000	£000	£000	£000	%
IJB Commissioned Services							
Support Services & Overheads	1,307	1,326	-19	2,775	2,815	-40	98.6
ADP	250	250	0	456	456	0	100.0
Children and Families	2,991	2,424	567	5,046	4,961	85	101.7
Prescribing	3,011	2,989	22	5,133	5,124	9	100.2
Elderly	4,559	4,532	27	8,340	8,263	77	100.9
Disability	2,822	2,852	-30	4,888	4,919	-31	99.4
Mental Health	730	577	153	1,253	1,001	252	125.2
Other Community Care	469	661	-192	1,022	1,213	-191	84.3
Occupational Therapy	416	382	34	726	677	49	107.2
Home Care	2,752	2,861	-109	3,816	3,815	1	100.0
Criminal Justice	-10	24	-34	63	63	0	100.0
Community Nursing	985	977	8	1,723	1,677	46	102.7
Primary Care	6,487	6,570	-83	11,273	11,447	-174	98.5
Allied Health Professionals	537	573	-36	926	981	-55	94.4
Rehabilitation	125	147	-22	215	251	-36	85.7
Midwifery	599	717	-118	1,032	1,232	-200	83.8
Covid 19	928	928	0	1,903	1,903	0	100.0
Service Totals	28,958	28,790	168	50,590	50,798	-208	99.6

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



6.3. 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 Forecast £40K underspend).</p> <p>There have been some vacancies within the service and the cost of the case management system (PARIS) is currently less than budgeted for.</p>	<p>Any underspend will be utilised in regard to other pressures within the service.</p>	<p>L Bradford.</p>	<p>31/03/22.</p>	<p>Ongoing.</p>
<p>Children and Families (Y/E Forecast £85K 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.</p>	<p>This has been highlighted within the Senior Management Team with both partners and will be closely monitored.</p> <p>It is also assumed that the additional residential care facility shall be fully funded this year.</p> <p>It is anticipated that there will be funding available from Corporate Contingency within the Council to cover the additional costs in regard to children placed outwith Orkney.</p>	<p>J Lyon.</p>	<p>31/03/22.</p>	<p>Ongoing.</p>
<p>Elderly (Y/E Forecast £77K overspend).</p>	<p>A further recruitment campaign was launched again in spring 2021 in ongoing efforts to reduce vacancies. Whilst successful in the short-term the</p>	<p>L Bradford.</p>	<p>31/03/22.</p>	<p>Ongoing.</p>

Service Explanation.	Proposed Action.	Responsible Officer.	Deadline.	Status.
<p>There is a continued reliance on agency staffing due to recruitment issues and long-term sickness absence within residential care homes.</p> <p>There are also residual costs from the transition of the Stromness Care Homes (St Peter's to Hamnavoe House).</p>	<p>recruitment and long-term absence issue continues to be prevalent.</p> <p>). The handover of the former residential care property (St Peter's) is now being progressed.</p> <p>Continuation of the need to isolate as part of the admission to a care home also has cost implications.</p>			
<p>Mental Health (Y/E Forecast £252K 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>	<p>NHS Orkney is having ongoing discussions in regard to a reduction in Service Level Agreement costs.</p> <p>A permanent Consultant Psychiatrist post has been advertised and interviews planned for 13 December.</p> <p>An agency nurse is currently backfilling a CAMHS Practitioner vacancy. This post has now been recruited to and shall commence in December 2021. It has been agreed to retain the agency nurse through to 31/3/22 but will be funded from the CAMHS funding allocation</p>	L Bradford.	31/03/22.	Ongoing.
<p>Other Community Care (Y/E Forecast £191K underspend).</p> <p>There have been vacancies within the service.</p>	<p>Posts will be recruited to in the near future following on from the senior structure.</p>	L Bradford.	31/03/22.	Ongoing.
<p>Primary Care</p>	<p>Monitor the situation.</p>	M Firth	31/03/22.	Ongoing.

Service Explanation.	Proposed Action.	Responsible Officer.	Deadline.	Status.
(Y/E Forecast £174K underspend). There is a forecast underspend on Community Dental Services.				
Allied Health Professionals (Y/E Forecast £55K underspend). There have been vacancies within the various teams.	There have been vacancies in both Podiatry and Physiotherapy with posts advertised a number of times with no uptake. A locum has been agreed for Physiotherapy as the post which covers the inpatient service urgently requires to be covered	Lynda Bradford.	31/03/22.	Ongoing.
Rehabilitation (Y/E Forecast £36K underspend).	Further investigation and clarification of the service is required.	Lynda Bradford.	31/03/22.	Ongoing.
Midwifery (Y/E Forecast £200K underspend). £110K forecast under on Maternity Ward, £60K under on Perinatal and £9K under on Maternal and Infant Nutrition due to vacancies.	There are some vacancies that are impacting on project work for the perinatal and infant mental health and breast feeding projects. There is currently a recruitment process in place. There is clarification being sought on whether some of this funding can be carried over to the next financial year.	M Swannie.	31/03/22.	Ongoing.

6.4. Variance Analysis

Services	Forecast Year End Position as at 31		
	October		Movement
	£000	£000	£000
	P3	P5	
Health	137	-208	-345
Social Care	-30	0	30
Service Totals	107	-208	-315

IJB Commissioned Services	Year End Over/Underspend		Variance £000	Explanation
	Period 5 £000	Period 7 £000		
Support Services and Overheads	-62	-40	22	Joint Posts had not been factored in but now corrected.
ADP	-2	0	2	
Children and Families	150	85	-65	Additional staffing costs have reduced this month on which projection is based
Prescribing	-65	9	74	The costs of drugs are always variable but still within budget.
Elderly	129	77	-52	Care income fees have increased.
Disability	-273	-31	242	Further more accurate projections on actual services provided rather than commissioned.
Mental Health	427	252	-175	Reduction in projected cost of locum psychiatrist and agency nursing.
Other Community Care	-121	-191	-70	Assuming some full year vacancies
Occupational Therapy	46	49	3	
Home Care	45	1	-44	Funding allocated from the holding/reserves account.
Criminal Justice	0	0	0	
Community Nursing	70	46	-24	Less requirement of additional staffing
Primary Care	-33	-174	-141	Forecast underspend on community dental services
Allied Health Professionals	-45	-55	-10	
Rehabilitation	-24	-36	-12	
Midwifery	-135	-200	-65	Forecast underspend on midwifery and perinatal
Service Totals	107	-208	-315	

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

8. Set Aside

8.1. The budget, known as “set aside”, amounting to £7.435M, was approved by the Board on 21 April 2021. The adjustments are as follows:

Set Aside Budgets	Spend	Budget	Variance	Year End Projection	Annual Budget	Over/(Under) Spend		Variance
	YTD £000	YTD £000	YTD £000			£000	%	
Acute Services	776	789	-13	1,331	1,352	-21	98.4	Some posts are unfunded
Medical Team - Junior Doctors	711	710	1	1,219	1,217	2	100.2	Additional Locum costs funded by non-recurring cost pressure.
Medical Team - Consultants	540	541	-1	951	952	-1	99.9	Additional Locum costs funded by non-recurring cost pressure.
Assessment & Rehab	596	568	28	1,021	976	45	104.6	Unfunded use of bank staff
Hospital Drugs	590	386	204	1,011	661	350	153.0	Increases in drug prices (and growth) have been greater than inflationary uplift.
Emergency Department	532	412	120	889	711	178	125.0	Some posts are unfunded
Acute Mental Health Placements (Ayr Clinic)	333	431	-98	571	739	-168	77.3	Fewer patients as been moved to community based services
Sub Total	4,078	3,837	241	6,993	6,608	385		
Memorandum Budget - Off Island Acute Services								
Unplanned Activity (UNPACS) other Scottish Boards	265	310	-45	383	532	-149	72.0	Lower than previous year due to restrictions on travel due to COVID 19
SLA Healthcare Purchasing - Grampian Mental Health	554	519	35	950	889	61	106.9	Increased activity for 3 year rolling average (up to 19/20)
SLA Healthcare Purchasing - Grampian Block Contract	81	81	0	163	162	1	100.6	Notional % of block SLA's with Grampian
SLA Healthcare Purchasing - Lothian	78	47	31	133	81	52	164.2	Increased activity for rolling 3 years (up to 18/19)
Sub Total	978	957	21	1,629	1,664	-35		
Total Set Aside	5,056	4,794	262	8,622	8,272	350		

9. 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.

10. Resource implications and identified source of funding

10.1. The projected outturn position is showing an anticipated underspend in services delegated of £208K and overspend of £350K for the set aside for financial year 2021/22. However, this is based on the current commitments known to the end of the financial year.

10.2. NHS Orkney has stated a savings target of £1,800K for 2021/22 which comprises a carry forward of £800K from 2020/21, of which nothing to date has been

identified. This has not been included within the projected year end position highlighted at 10.1.

10.3. Additional funding has been agreed by Orkney Islands Council in regard to additional children's residential care which has a projected cost of £380K for this financial year.

10.4. It is also assumed that all additional costs in regard to Children Outwith Orkney will be funded by Corporate Contingency from Orkney Islands Council.

11. Risk and Equality assessment

11.1. 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.

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

16.1. Email: pat.robinson@orkney.gov.uk, telephone: 01856873535 extension 2611.

17. Supporting documents

17.1. Annex 1: IJB Reserves.

17.2. Annex 2: IJB Recovery Plan.

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

Annex 1: IJB Reserves / Holding Account

	Opening Balance	New Allocations / Allocated	Balance at Period 5
	£000	£000	£000
Alcohol and Drugs Prevention	145	66	211
PCIF 20/21	641	376	1,017
Primary Care	136	(72)	64
School Nursing	12	(12)	0
Mental Health Action 15	54	103	157
Reduced Drug Deaths	22	0	22
District Nursing	11	24	35
ASC Nurse Director Support	60	(60)	0
Adult Social Care Winter Plan	84	(84)	0
Community Living Change	81	(81)	0
Further Integration Support	406	(403)	3
Mental Health Recovery and Renewal	0	797	797
Children and Adolescent Mental Health	0	52	52
Change Management	0	39	39
Hand Devices	0	38	38
Pay Uplifts and Inflation & Other*		47	47
	1,652	830.	2,482
COVID-19	671	(671)	0

*Note: Additional funding due from Scottish Government in relation to 4% Pay Award.

Annex 2: 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
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		
	<hr/> 259		259
		Unidentified Savings	<hr/> 3,941 <hr/>

Annex 3: Mobilisation Plan COVID-19 Projected Full Year

	£000
Additional PPE	2
Testing	398
Community Hubs	342
Additional Capacity in Community	27
Additional Infection Prevention and Control Costs	487
Additional FHS Prescribing	43
Additional Staffing Costs	388
Loss of Income	17
Additional Equipment and Maintenance and Other	1
Social Care Provider Sustainability Payments	39
Other	150
Unachieved Savings	1,877
Total	3,771