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Orkney Health and Care

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Agenda Item: 8.

Integration Joint Board

Date of Meeting: 22 March 2022.

Subject: Revenue Expenditure Monitoring.

1. Purpose

1.1. To present the Revenue Expenditure Monitoring report for the period to 31 December 2021 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 December 2021 as follows:

- A current overspend of £194K on services delegated and an overspend of £178K on the set aside.
- A forecast year end underspend of £29K on services delegated and an overspend of £222K 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 £410K for this financial year. However, if there are underspends within the service this will reduce this cost.
- It is anticipated that additional funding will be available from Orkney Islands 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 £272K.

2.2. 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 have been identified to date.

2.3. 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. However, the Scottish Government has indicated that there will be funding available for any unachieved savings for the current financial year only.

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, as illustrated in Annex 3, shows a projected spend across the partnership of £3.471M.

4.2. Children and Families

4.2.1. 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.

4.2.2. 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.

4.2.3. 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.

4.2.4. 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 £410K.

4.2.5. 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 £272K.

4.3. Care at Home

4.3.1. The demand for Care at Home 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.

4.3.2. 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.

4.3.3. 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.

4.3.4. At the time of writing, there are 30 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.

4.3.5. Significant effort was undertaken to hold a recruitment campaign which resulted in 12 posts being recruited to.

4.3.6. 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.

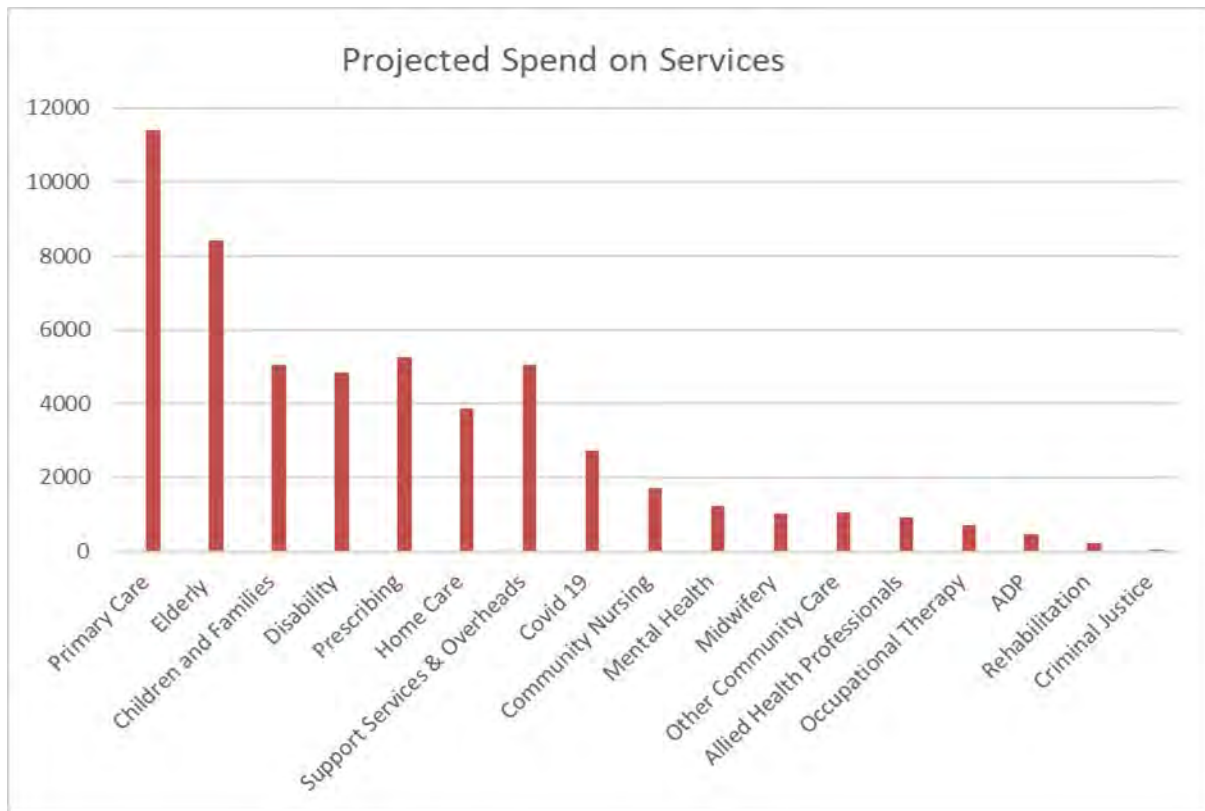
4.3.7. Over the festive period there was a significant shortfall in staffing availability due to agency staff not available and a plea was made to family and friends to assist over a 3 week period with reimbursement being made available. There was a significant response which ensured people remained safe within their own homes over this time. Volunteers and previous staff also came forward to aid the situation.

5. Financial Position

5.1. The following table shows the current financial position as at 31 December 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.

IJB Commissioned Services	Spend	Budget	Variance	Year End	Annual	Over/(Under)	
	YTD £000	YTD £000	YTD £000	Projection £000	Budget £000	£000	%
Support Services & Overheads	2,159	2,157	2	5,033	5,093	(60)	98.8
ADP	302	310	(8)	456	456	0	100.0
Children and Families	4,062	3,235	827	5,037	4,962	75	101.5
Prescribing	3,869	3,831	38	5,255	5,124	131	102.6
Elderly	5,869	5,838	31	8,417	8,264	153	101.9
Disability	3,405	3,618	(213)	4,838	4,919	(81)	98.4
Mental Health	923	744	179	1,238	1,001	237	123.7
Other Community Care	663	860	(197)	1,050	1,213	(163)	86.6
Occupational Therapy	537	505	32	708	688	20	102.9
Care At Home	3,117	3,209	(92)	3,885	3,815	70	101.8
Criminal Justice	(40)	34	(74)	63	63	0	100.0
Community Nursing	1,267	1,257	10	1,713	1,677	36	102.1
Primary Care	8,434	8,544	(110)	11,388	11,532	(144)	98.8
Allied Health Professionals	691	738	(47)	925	981	(56)	94.3
Rehabilitation	158	188	(30)	211	251	(40)	84.1
Midwifery	757	911	(154)	1,010	1,217	(207)	83.0
Covid 19	2,518	2,518	0	2,730	2,730	0	100.0
Service Totals	38,691	38,497	194	53,957	53,986	(29)	99.9

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



5.3. 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 £60K 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 March 2022.</p>	<p>Ongoing.</p>
<p>Children and Families (Y/E Forecast £75K 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 March 2022.</p>	<p>Ongoing.</p>
<p>Prescribing (Y/E Forecast £131K overspend).</p> <p>There is an overspend within the GP prescribing budget.</p> <p>The cost of drugs is variable and therefore it is harder to project full year costs.</p>	<p>Monitor the situation</p>	<p>W Lycett.</p>	<p>31 March 2022.</p>	<p>Ongoing.</p>

Service Explanation	Proposed Action	Responsible Officer	Deadline	Status
<p>The overspend is based on higher actual costs up to October and projected to year end.</p>				
<p>Elderly (Y/E Forecast £153K overspend).</p> <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 issues continue to be prevalent despite continued effort by managers. The handover of the former residential care property (St Peter's) is now complete and therefore no further costs.</p> <p>Continuation of the need to support isolation as part of the admission to a care home also has cost implications.</p>	L Bradford.	31 March 2022.	Ongoing.
<p>Disability (Y/E Forecast £81K underspend).</p> <p>There was some variance in packages of care as families chose to reduce footfall within their own homes. Due to day services not being able to return to full capacity there has been a reduction in the need to backfill staff. There have been vacancies within the team (reduced level of activity due to closure of day services). The cost of carers' respite is now also being recorded within the Care at Home function.</p>	<p>This underspend will reduce as service delivery increases slowly. There are also new packages agreed which will commence in the near future. Any underspend will aid overspending areas.</p>	L Bradford.	31 March 2022.	Ongoing.

Service Explanation	Proposed Action	Responsible Officer	Deadline	Status
<p>Mental Health (Y/E Forecast £237K 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 appointed with a start date of 6 June 2022. This appointment is part time and will be delivered remotely. Recruitment to the remaining hours will be undertaken.</p> <p>An agency nurse has been backfilling a CAMHS Practitioner vacancy. This post has now been recruited to and commenced in January 2022. It has been agreed to retain the agency nurse through to 31 March 2022 but will be funded from the CAMHS funding allocation</p>	L Bradford.	31 March 2022.	Ongoing.
<p>Other Community Care (Y/E Forecast £163K 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 Health and Social Care Partnership senior restructure.</p>	L Bradford.	31 March 2022.	Ongoing.
<p>Care at Home (Y/E Forecast £70K overspend).</p> <p>There has been significant one-off funding received this financial year to cover the</p>	<p>A major recruitment campaign for Care at Home staff took place in December 2021 with 12 posts successfully recruited to. This will reduce the</p>	L Bradford.	31 March 2022.	Ongoing.

Service Explanation	Proposed Action	Responsible Officer	Deadline	Status
previous shortfall. There are costs in relation to carers' respite which has been recharged to this function so as to more accurately record these costs.	reliance of agency staff to some degree in the future.			
Primary Care (Y/E Forecast £144K underspend). There is a forecast underspend on Community Dental Services.	Monitor the situation.	M Firth.	31 March 2022.	Ongoing.
Allied Health Professionals (Y/E Forecast £56K 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. Locums have been agreed for Physiotherapy and Podiatry as these services urgently require to be covered.	L Bradford.	31 March 2022.	Ongoing.
Rehabilitation (Y/E Forecast £36K underspend).	Further investigation and clarification of the service is required.	L Bradford.	31 March 2022.	Ongoing.
Midwifery (Y/E Forecast £207K underspend). There are a number of vacancies within the service specifically in regard to project work (perinatal, infant mental health and breastfeeding).	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 March 2022.	Ongoing.

5.4. Variance Analysis

Services	Forecast Year End Position		Movement
	£000	£000	£000
	Period 7	Period 9	
Health	-208	-29	179
Social Care	0	0	0
Service Totals	-208	-29	179

IJB Commissioned Services	Year End Over/Underspend		Variance	Explanation
	Period 7	Period 9		
	£000	£000	£000	
Support Services & Overheads	(40)	(60)	(20)	
ADP	0	0	0	
Children and Families	85	75	(10)	Additional staffing costs have reduced this month on which projection is based
Prescribing	9	131	122	£92k forecast over spend in GP Prescribing. Adverse movement in month due to receipt of actual costs in October and subsequent change in forecast
Elderly	77	153	76	
Disability	(31)	(81)	(50)	Costs in regards to Carers respite have been coded sperately so as can be identified easier.
Mental Health	252	237	(15)	Reduction in projected cost of locum psychiatrist and agency nursing.
Other Community Care	(191)	(163)	28	
Occupational Therapy	49	20	(29)	
Care At Home	1	70	69	Costs in regards to Carers respite have been coded sperately so as can be identified easier.
Criminal Justice	0	0	0	
Community Nursing	46	36	(10)	
Primary Care	(174)	(144)	30	Reduction in forecast underspend within service
Allied Health Professionals	(55)	(56)	(1)	
Rehabilitation	(36)	(40)	(4)	
Midwifery	(200)	(207)	(7)	
Service Totals	(208)	(29)	179	

6. Winter Planning

6.1. Substantial new investment by the Scottish Government of over £300M in hospital and community care has been unveiled to help tackle what is anticipated to be the toughest winter the NHS and social care system has ever faced.

6.2. The NHS and Care Winter Package of additional funding includes:

- Recruiting 1,000 additional NHS staff to support multi-disciplinary working.
- £40M for 'step-down' care to enable hospital patients to temporarily enter care homes, or receive additional care at home support, with no financial liability to the individual or their family towards the cost of the care home.
- Over £60M to maximise the capacity of care at home services.
- Up to £48M to be made available to increase the hourly rate of social care staff to match new NHS band 2 staff.
- £20M to enhance Multi-Disciplinary Teams, enable more social work assessments to be carried out and support joint working between health and social care.
- £28M of additional funding to support primary care.
- £4.5M available to Health Boards to attract at least 200 registered nurses from outwith Scotland by March 2022.
- £4M to help staff with their practical and emotional needs, including pastoral care and other measures to aid rest and recuperation.

6.3. In regard to Orkney's allocation some of the allocations are still unknown but the 2021/22 allocations known are as follows:

	2021/22	2022/23 assumed	Allocation
Interim Care	£175,000	£87,500	non recurring
Care At Home Capacity	£271,000	£542,000	recurring
Multi-Disciplinary Teams	£88,000	£176,000	recurring
Total	£534,000	£805,500	

6.4. A letter was received from the Director of Mental Wellbeing and Social Care on 12 November 2021 in respect of the Adult Social Care pay uplift which stated that the pay uplift will apply to staff providing direct care within Adult Social Care in commissioned services in the third and independent sectors. This will include Supervisors, Practitioners, Support Workers, Personal Assistants and staff providing sleepovers. This funding will apply to workers in care homes, care at home, day care, housing support, adult placement services, respite services and those delivering direct support through all Self Directed Support options. This funding will enable pay for these workers, in these services, to be uplifted from at least £9.50 per hour to at least £10.02 per hour.

6.5. The funding took effect from 1 December 2021. Although it was anticipated due to small teams it would take a little time to implement, Orkney Health and Care did ensure that the detail of the uplift was shared with all commissioned services and payments are being put in place. An allocation of £112K is available and it has been stated that costs will be fully funded this financial year and next year's allocation will be based on actual costs to the Health and Social Care Partnership.

7. Mental Health Recovery and Renewal

7.1. The Minister for Mental Health announced a £120M Recovery and Renewal Fund to support implementation of Scotland's Mental Health Transition and Recovery Plan, which was published on 8 October 2020.

7.2. In regard to Orkney's allocation it is split as follows:

	2021/22
CAMHS Specification	£706,800
CAMHS to age 25	£43,804
CAMHS Waiting List	£21,902
Psychological Therapies Waiting List	£25,767
Total	£798,273

7.3. A report was presented to the Board, at its meeting held on 27 October 2021, with funding proposals which had a full year cost of £798,247 with a cost of £186,083 for financial year 2021/22 based on successful recruitment of posts. Further details can be found at [CAMHS proposals](#).

7.4. It was recognised that, if this funding is to be truly transformational, some investments will ultimately need to be made on a recurring basis. It is encouraged to plan on the basis that funding for staff will become recurring at a future date, recognising that there may need to be some reprioritisation in the event this was not fully achieved in the next Spending Review.

8. Recovery Plan

8.1. 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.

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

9. Set Aside

9.1. The following table shows the current financial position as at 31 December 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	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	991	1,014	(23)	1,322	1,352	(30)	97.8	
Medical Team - Junior Doctors	936	936	0	1,259	1,259	0	100.0	
Medical Team - Consultants	699	699	0	940	940	0	100.0	
Assessment and Rehab	1,125	1,176	(51)	1,501	1,569	(68)	95.7	Unfunded use of bank staff
Hospital Drugs	733	496	237	1,004	661	343	151.9	Increases in drug prices (and growth) have been greater than inflationary uplift.
Emergency Department	680	532	148	906	711	195	127.4	Some posts are unfunded
Acute Mental Health Placements (Ayr Clinic)	401	554	(153)	534	739	(205)	72.3	Fewer patients as been moved to community based services
Off Island Acute Services								
Unplanned Activity (UNPACS) other Scottish Boards	333	399	(66)	406	532	(126)	76.3	Lower than previous year due to restrictions on travel due to COVID 19
SLA Healthcare Purchasing - Grampian Mental Health	713	666	47	950	889	61	106.9	Increased activity for 3 year rolling average (up to 19/20)
SLA Healthcare Purchasing - Grampian Block Contract	122	122	0	162	162	0	100.0	
SLA Healthcare Purchasing - Lothian	100	61	39	133	81	52	164.2	Increased activity for rolling 3 years (up to 18/19)
Total Set Aside	6,833	6,655	178	9,117	8,895	222		

10. 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.

11. Resource and financial implications

11.1. The projected outturn position is showing an anticipated underspend in services delegated of £29K and an anticipated overspend of £222K 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.

11.2. 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 nil to date has been identified. This has not been included within the projected year end position highlighted at 11.1. However, the Scottish Government has indicated that there will be funding available for any unachieved savings for this financial year only.

11.3. Additional funding has been agreed by Orkney Islands Council in regard to additional children's residential care which has a projected cost of £410K for this financial year if required.

11.4. It is also assumed that all additional costs in regard to child placements outwith Orkney will be funded by Corporate Contingency from Orkney Islands Council.

12. Risk and equality implications

12.1. 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.

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

13. Direction required

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

NHS Orkney.	No.
Orkney Islands Council.	No.

14. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.

15. Author and contact information

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

16. Supporting documents

16.1. Annex 1: Reserves.

16.2. Annex 2: Recovery Plan.

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

Annex 1: IJB Reserves / Holding Account

	Balance at Period 9 £000
Alcohol and Drugs Prevention	327
PCIF 20/21	976
Primary Care	140
Mental Health Action 15	157
Reduced Drug Deaths	22
District Nursing	35
Mental Health Recovery and Renewal	797
Children and Adolescent Mental Health	52
Change Management	39
Hand Devices	38
Staff Wellbeing	10
Dental Services	24
Multi-Disciplinary Teams	88
Additional Band 2's and 4's	75
Covid Funding	(50)
Pay Uplifts and Inflation and Other*	24
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Annex 2: Recovery Plan

			£000
NHS Savings Target			2,400
OIC Savings			1,800
Overall Savings Target			4,200
	Recurring	Non- Recurring	Total Savings
	£000	£000	£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/>		<hr/>
			259
Unidentified Savings			3,941
			<hr/>

Annex 3: Mobilisation Plan COVID-19 Projected Full Year

	£000
Additional PPE	2
Testing	172
Community Hubs	204
Additional Capacity in Community	27
Additional Infection Prevention and Control Costs	481
Additional FHS Prescribing	44
Additional Staffing Costs	475
Loss of Income	17
Additional Equipment and Maintenance and Other	1
Social Care Provider Sustainability Payments	23
Other	148
Unachieved Savings	1,877
Total	3,471