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Orkney Health and Care

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Agenda Item: 7.

Integration Joint Board

Date of Meeting: 25 March 2020.

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 the services within the remit of the IJB as at Period 10 (end of January 2020).
- 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 January 2020, as follows:

- A current underspend of £1,158,000 mainly due to profiling issues.
- A forecast underspend of £29,000 based on current activity and spending patterns.

4. Financial Summary

4.1. Within the Integration Joint Board, 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.

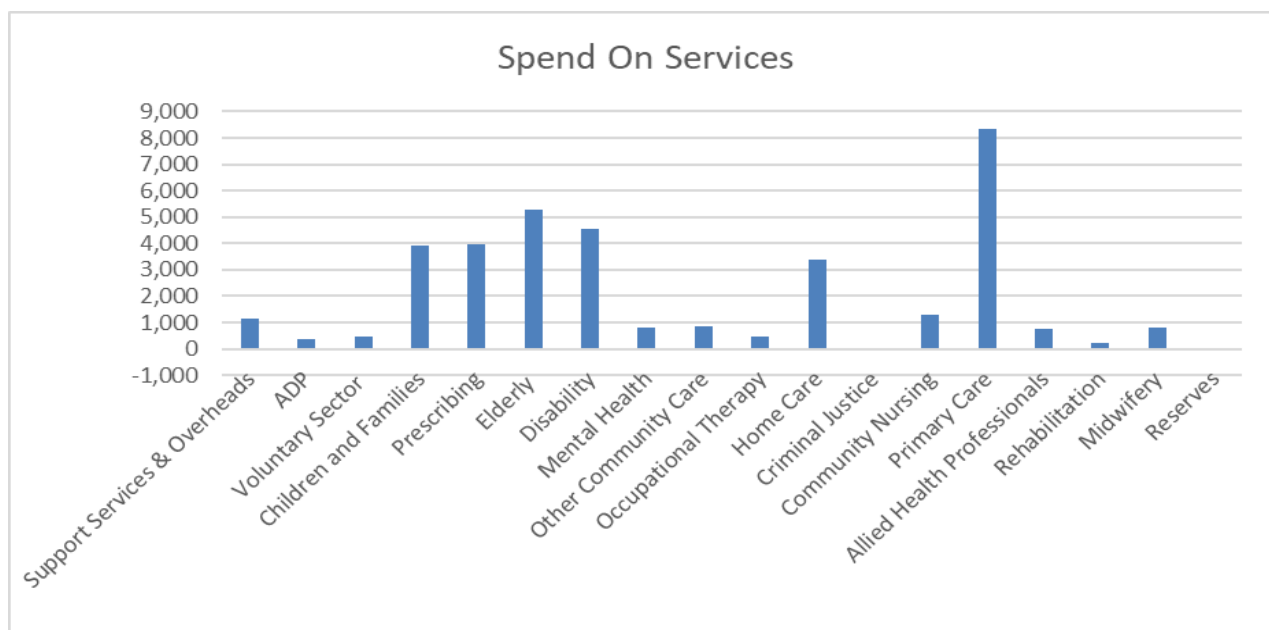
4.7. Where such recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the Board.

5. Financial Position

5.1. The following table shows the current financial position as at 31 January 2020 and forecast year end position, based on current activity and expenditure, and includes anticipated future commitments to 31 March 2020. The year-end projection will be reviewed on a regular basis throughout the year.

IJB Commissioned Services	Spend YTD	Budget YTD	Variance YTD	Year End Projection	Annual Budget	Over/(Under) Spend	
	£000	£000	£000	£000	£000	£000	%
Support Services & Overheads	1,144	1,346	-202	2,607	2,629	-22	99.2
ADP	369	383	-14	438	434	4	100.9
Voluntary Sector	470	461	9	449	461	-12	97.4
Children and Families	3,905	3,918	-13	4,801	4,915	-114	97.7
Prescribing	3,978	3,916	62	4,699	4,663	36	100.8
Elderly	5,266	6,033	-767	6,429	6,481	-52	99.2
Disability	4,524	4,763	-239	5,711	5,593	118	102.1
Mental Health	808	807	1	1,044	968	76	107.9
Other Community Care	872	852	20	995	1,065	-70	93.4
Occupational Therapy	474	484	-10	596	604	-8	98.7
Home Care	3,357	3,080	277	4,134	3,741	393	110.5
Criminal Justice	-14	29	-43	55	55	0	100.0
Community Nursing	1,297	1,334	-37	1,582	1,599	-17	98.9
Primary Care	8,325	8,537	-212	9,922	10,190	-268	97.4
Allied Health Professionals	757	759	-2	909	911	-2	99.8
Rehabilitation	208	221	-13	261	269	-8	97.0
Midwifery	812	787	25	974	955	19	102.0
Reserves	0	0	0	370	472	-102	78.4
Service Totals	36,552	37,710	-1,158	45,976	46,005	-29	99.9

5.2. The current spend can be illustrated as follows:



5.3. There has been work ongoing looking at the baseline budgets over the past three years to identify the ongoing service pressures. Throughout this process the Chief Officer has requested that all budgets are returned to baseline budgets and therefore there will be no budget movements throughout the year. This will highlight the financial pressures within services and assist the IJB in Directions of funding allocations in the future.

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

5.4.1. Children and Families (Y/E Forecast £114K underspend).

Although there is budget for five intensive foster carers there are only three approved at present. It is envisaged that this will increase, and two further intensive foster carers will be approved. The payments for throughcare/ aftercare are less than budgeted for but, as this is a demand led service, this can fluctuate depending on the young people receiving these payments. The Children and Adolescent Mental Health Service (CAMHS) currently has a vacancy

5.4.2. Elderly (Y/E Forecast £52K underspend).

There has been a reduction in the requirement for high cost packages of care within this financial year. However, these funds will be fully utilised in the next financial year due to commitment of a new service being approved. There is a continued reliance on agency staffing due to recruitment issues and long term sickness.

5.4.3. Disability (Y/W Forecast £118K overspend).

Overspend is due to placements outwith Orkney, with increased supported living rate.

5.4.4. Mental Health (Y/E Forecast £76K overspend).

There are vacancies within the team which include Service Manager, CAMHS workers and Support Workers. The Operational Manager post is backfilled with agency staff covering the clinical case load of the individual acting as Operational Manager. Agency staff are covering the CAMHS vacancies until the new staff commence in post. One Support Worker post has been secured as a third sector opportunity.

5.4.5. Other Community Care (Y/E Forecast £70K underspend).

There are vacancies within the team due to staff being seconded to other areas within the service which has not been backfilled.

5.4.6. Home Care (Y/E Forecast £393K overspend).

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. An internal audit in regard to Self Directed Support was presented to the IJB Audit Committee on 19 November 2019 to highlight issues and to ensure that we are following the correct processes and procedures.

5.4.7. Primary Care (Y/E Forecast £268K underspend).

The underspend currently is around ring fenced Dental Primary Medical Services funding. This is allocated centrally each year from Scottish Government and reduced accordingly dependent on a yearly service review.

We have a yearly allocation of £49,102 towards a rural fellowship GP training post. This post has been vacant within this financial year.

There is an anticipation that there will be increased locum GP costs to cover employed staff for a short period whilst recruitment is undertaken.

There was a Lead GP position vacant for part of the year. The Clinical Director post commenced in September.

There is a review underway around locum GP holiday entitlement. It is currently unknown whether there will be a financial implication in regard to this.

There may be an impact to budgets due to current assumptions around Coronavirus. This may require additional staffing, equipment, cleaning services with the current impact yet to be determined

5.5. Variance Analysis

Services	Forecast Year End		Movement
	Position		
	£000	£000	
	P9	P10	
Health	65	0	-65
Social Care	87	-29	-116
Service Totals	152	-29	-181

	Period 7	Period 9		
IJB Commissioned Services	Forecast		Variance	Explanation
	Period 9	Period 10		
	£000	£000	£000	
Support Services & Overheads	30	-22	-52	There has been income received which had not previously been accounted for.
ADP	3	4	1	
Voluntary Sector	-9	-12	-3	
Children and Families	-119	-114	5	
Prescribing	40	36	-4	
Elderly	29	-52	-81	The income in regards to residential care has increased due to the service users financial ability to pay for services.
Disability	82	118	36	The cost of some packages of care have been more than originally anticipated.
Mental Health	31	76	45	Using Agency Community Psychiatric Nurses and a Locum Psychiatrist. There is no budget for the nurses. It was anticipated that there would be savings from the SLA in relation to the Psychiatrist but no confirmation to date.
Other Community Care	4	-70	-74	Vacancies had been accrued for but are currently vacant
Occupational Therapy	-4	-8	-4	
Home Care	331	393	62	There is a continued reliance on agency staffing due to vacancies and to cover sickness within the team.
Criminal Justice	0	0	0	
Community Nursing	-11	-17	-6	
Primary Care	-248	-268	-20	See 5.4.7
Allied Health Professionals	-7	-2	5	
Rehabilitation	44	-8	-52	The funding from a post hadn't been transferred therefore giving an inaccurate overspend previously.
Midwifery	13	19	6	
Reserves/ Holding Account	-57	-102	-45	Some services have not commenced when anticipated to utilise the funding.
Service Totals	152	-29	-181	

6. Recovery Plan

6.1. 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.

6.2. As the overall services that have been commissioned by the IJB to the partners are currently forecasting an underspend there is no requirement for a recovery plan at present.

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

7. Unplanned Admissions

7.1. In regard to the legislation the following services must be included as per the legislation which can be found at:

http://www.legislation.gov.uk/sdsi/2014/9780111024546/pdfs/sdsi_9780111024546_en.pdf.

Schedule 3, Part 2, at the bottom of page 11 states:

- (a). Accident and emergency services provided in a hospital.
- (b). Inpatient hospital services relating to the following branches of medicine:
 - (i). General medicine.
 - (ii). Geriatric medicine.
 - (iii). Rehabilitation medicine.
 - (iv). Respiratory medicine.
 - (v). Psychiatry of learning disability.
- (c). Palliative care services provided in a hospital.
- (d). Inpatient hospital services provided by general medical practitioners.
- (e). Services provided in a hospital in relation to an addiction or dependence on any substance.
- (f). Mental health services provided in a hospital, except secure forensic mental health.

7.2. At present the budget has not been formally delegated to the IJB. Within the Audit Scotland external audit report, it states "The IJB and health board should prioritise establishing revised processes for planning and performance management of set aside hospital functions and associated resources in 2019/20". The full report can be found in the Related Downloads section at:

<https://www.orkney.gov.uk/Council/C/orkney-integration-joint-board-audit-committee-29-august-2019.htm>

7.3. Based on the current information the budget and spend is:

Spend YTD £000	Budget YTD £000	Variance YTD £000	Year End Projection £000	Annual Budget £000	Over/(Under) Spend	
					£000	%
7,252	6,476	776	8,650	7,842	808	110.3
7,252	6,476	776	8,650	7,842	808	110.3

The forecast overspend in these services is largely but not solely due to the continued costs associated with the medical model and a reliance on locum medical staff. Over and above this there are continued staff pressures in several departments due to high levels of sickness absence, maternity leave and activity pressures, resulting in a need for additional bank staff and on very rare occasions locum cover. These significant costs are contributing towards an overall forecast overspend position in NHS Orkney.

7.4. Most of our shift in resources was completed prior to implementation of integrated working i.e. a ward closed, and the integrated care team was created. The reduction in hospital beds are now at minimum levels as agreed in the new hospital and healthcare facility business case.

7.5. As a very small area within a hospital that cannot be further reduced in size and a demographic profile and geography that presents some of the biggest challenges in Scotland, in terms of increasing numbers of older people, we have very limited scope to make significant resource shifts from hospital to other forms of care.

7.6. A stronger focus on prevention and re-ablement, and a move away from episodic care delivered in hospitals to greater co-ordinated team based care to support people with long term conditions is a key and ongoing priority for us.

8. Contribution to quality

Please indicate which of the Council Plan 2018 to 2023 and 2020 vision/quality ambitions are supported in this report adding Yes or No to the relevant area(s):

Promoting survival: To support our communities.	No.
Promoting sustainability: To make sure economic, environmental and social factors are balanced.	Yes.
Promoting equality: To encourage services to provide equal opportunities for everyone.	No.
Working together: To overcome issues more effectively through partnership working.	Yes.
Working with communities: To involve community councils, community groups, voluntary groups and individuals in the process.	Yes.
Working to provide better services: To improve the planning and delivery of services.	Yes.

Safe: Avoiding injuries to patients from healthcare that is intended to help them.	No.
Effective: Providing services based on scientific knowledge.	No.
Efficient: Avoiding waste, including waste of equipment, supplies, ideas, and energy.	Yes.

9. Resource implications and identified source of funding

9.1. The projected outturn position is showing an anticipated underspend of £29k for financial year 2019/20. However, this is based on the current commitments known to the end of the financial year.

10. Risk and Equality assessment

10.1. The Integration Joint 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.

11. 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.

12. 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.

13. Conclusion

13.1. Demand is rising significantly whilst in real terms, available public spending is reducing. Over the next few years the Integration Joint Board 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.

14. Author

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

15. Contact details

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16. Supporting documents

16.1. Annex 1: Budget Reconciliation.

16.2. Annex 2: IJB Holding Account / Reserves.

Annex 1: Budget Reconciliation

Budget Summary	£000	£000	£000
NHS Opening Budget 2019/20			24,927
OIC Opening Budget 2019/20			19,553
IJB Opening Budget			44,480
	Recurring	Non Recurring	
OIC			
Residential Childcare		324	
NHS			
Non Cash Limited Reduction	(29)		
Additional ADP Funding	82		
Primary Care Improvement Fund	119		
MND Funding	8		
Tarriff Reduction to Global Sum	(148)		
Mental Health Former Innovation Fund	67		
Mental Health Capacity Building	33		
Realistic Medicines Lead	30		
Employers Superannuation Contribution Uplift	396		
Best Start Recommendations		47	
Menatl Health Action 15 (Anticipated)	20		
General Dental Services (Less than Anticipated)	(8)		
Insulin Pumps (Less than Anticipated)	(4)		
GP Out of Hours	24		
Band 3 Transfer from Primary Care to Acute	(17)		
Primary Care Digital Technology		71	
Primary Medical Services Uplift	198		
Primary Care Rural Fund		53	
ADP Funding < Anticipated	(48)		
PCIF Funding < Anticipated	(1)		
Third Sector Partnership		20	
Winter Planning		8	
Primary Care Support		17	
Cost Pressures Staffing	45		
Migration Costs		16	
HMD Pay Award	2		
Revenue to Capital Transfer		(70)	
Supporting Improvements to GP Premises		15	
Shingles, Rotavirus, Seasonal Flu and Childhood Flu		65	
PCIF Additional Funding		8	
ADP (Reserves)		81	
PCIF (Reserves)		69	
GP Sub (Reserves)		32	
	769	756	1,525
	Budget at January 2020		46,005

Annex 2: IJB Holding Account / Reserves

	£000.
Alcohol and Drugs Prevention 19/20.	110
PCIF 19/20.	84
Primary Care Digital Technology.	71
Primary Care Rural Fund.	53
Primary Care Support	17
Improvements to GP Premises.	15
Third Sector Partnership.	20
Total Reserves.	370

In regard to Primary Care Improvement Fund and Alcohol and Drugs Prevention they are ring fenced and therefore cannot be used for any other purpose.