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Agenda Item: 8.

Integration Joint Board

Date of Meeting: 2 October 2019.

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 its remit of the IJB as at Period 5 (end of August 2019).
- 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 August 2019, as follows:

- A current underspend of £228,000.
- A forecast underspend of £114,000 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.

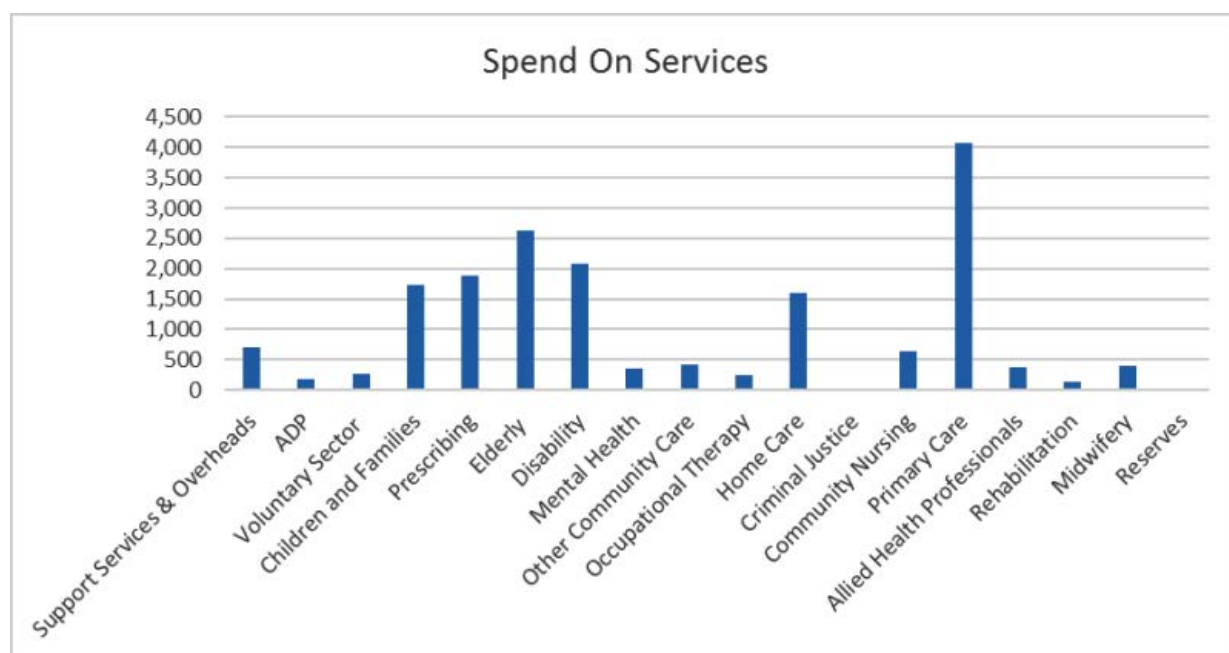
4.7. Where such recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the Board.

5. Financial Position

5.1. The following table shows the current financial position as at 31 August 2019 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	709	734	-25	2,750	2,740	10	100.4
ADP	187	184	3	431	429	2	100.5
Voluntary Sector	254	243	11	461	461	0	100.0
Children and Families	1,731	1,817	-86	4,582	4,660	-78	98.3
Prescribing	1,890	1,907	-17	4,595	4,598	-3	99.9
Elderly	2,622	2,780	-158	6,417	6,481	-64	99.0
Disability	2,088	2,051	37	5,720	5,683	37	100.7
Mental Health	352	392	-40	861	987	-126	87.2
Other Community Care	413	477	-64	1,092	1,007	85	108.4
Occupational Therapy	250	238	12	603	603	0	100.0
Home Care	1,594	1,510	84	3,907	3,780	127	103.4
Criminal Justice	34	-6	40	55	55	0	100.0
Community Nursing	646	667	-21	1,549	1,600	-51	96.8
Primary Care	4,070	4,100	-30	9,651	9,755	-104	98.9
Allied Health Professionals	369	379	-10	884	911	-27	97.0
Rehabilitation	137	112	25	329	269	60	122.3
Midwifery	405	394	11	965	947	18	101.9
Reserves	0	0	0	391	391	0	100.0
Service Totals	17,751	17,979	-228	45,243	45,357	-114	99.7

5.2. The current spend can be illustrated as follows:



5.3. Throughout the financial year there will be budget movements between functions as most budgets are not ring fenced and will be reallocated to service pressure areas as a one off.

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

5.4.1. Children and Families (Y/E Forecast £78K underspend).

Although there is budget for five intensive foster carers there are only three approved at present. It is envisaged by the end of the financial year that this will increase, and two further intensive foster carers will be approved. There was additional funding received and allocated to the outwith Orkney budget which is currently showing an underspend.

5.4.2. Elderly (Y/E Forecast £64K 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.

5.4.3. Mental Health (Y/E Forecast £126K underspend).

There are vacancies within the team which includes Service Manager, Support Workers and within the Children and Adolescent Mental Health Service.

5.4.4. Other Community Care (Y/W Forecast £85K overspend).

In regard to services funded through the previous integrated care fund which included the rapid responders and modern apprenticeships within Home Care the budget is less than the committed expenditure. Work is being undertaken to look at this more thoroughly to understand impact and to identify whether the base line budget is correct.

5.4.5. Home Care (Y/E Forecast £127K overspend).

The demand for direct payments in lieu of Home Care continues to grow. Within in-house service there has been no ability to reduce the service to compensate as the ageing population is continuing to increase. An internal audit has been completed in regard to direct payments to highlight issues and to ensure that we are following the correct processes and procedures.

5.4.6. Community Nursing (Y/E Forecast £51K underspend).

There have been a number of vacancies within this service area. However, we can report that only one vacancy on the mainland team is still currently not recruited to. There are no vacancies currently within the services supporting the islands.

5.4.7. Primary Care (Y/E Forecast £104K underspend).

At the time of preparing this report, we are not fully confident to what is fully attributing to this reported underspend. We do understand that the majority of this underspend is showing against that of community dental services. Work is being undertaken to look at this more thoroughly to understand impact and to identify whether the base line budget is correct.

5.4.8. Rehabilitation (Y/E Forecast £60K overspend).

Again, clarity is required around this reported overspend. It has been advised that this overspend is in relation to an over establishment of Band 3 Therapists within the rehabilitation service. Work will need to be undertaken to identify either a reduction in resource or formally establishing the correct budget.

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 at: https://www.orkney.gov.uk/Files/Committees-and-Agendas/IJB/IJB2019/IJBAUDIT29-08-2019/I05_External_Annual_Audit_Report.pdf.

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	%
3,494	2,937	557	8,478	7,246	1,232	117.0
3,494	2,937	557	8,478	7,246	1,232	117.0

At the time of preparing this report, we are not fully aware of what is fully attributing to this reported overspend and further work will be undertaken and reported on.

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 £122k 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 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 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
		Non	
	Recurring	Recurring	
OIC			
Residential Childcare		204	
NHS			
Non-Cash Limited Reduction	(29)		
Additional ADP Funding	82		
Primary Care Improvement Fund	119		
MND Funding	8		
Tariff 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	
Mental Health Action 15 (Anticipated)	20		
General Dental Services (Less than Anticipated)	(8)		
Insulin Pumps (Less than Anticipated)	(4)		
GP Out of Hours	24		
Cost Pressures Staffing	28		
Migration Costs		8	
	618	259	877
			45,357

Annex 2: IJB Reserves

	£000
Pay Awards	80
GMS Uplift	55
Price Inflation	33
Alcohol and Drugs Prevention	82
Primary Care Improvement Fund	119
Physio (18/19 Cost pressure b/f)	2
Ers SA Uplift	0
Realistic Medicines Lead	19
Balance	<u>390</u>

Most of the reserves will be fully utilised within the current financial year. In regard to PCIF and Alcohol and Drugs Prevention they are ring fenced and therefore cannot be used for any other purpose.