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Orkney Health and Care

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Agenda Item: 9

Integration Joint Board

Date of Meeting: 30 September 2020.

Subject: Revenue Expenditure Monitoring.

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 advise of the revenue outturn position for financial year 2019/20.

3. Recommendations

The Integration Joint Board is invited to note:

3.1. The revenue expenditure outturn statement in respect of Orkney Health and Care for financial year 2019/20, set out in section 5.1 of this report, which indicates a breakeven position.

3.2. That an additional contribution of £165,700 in respect of Outwith Orkney Placements was received from Orkney Islands Council at the year end.

3.3. That the efficiency target of £130,000 applied by NHS Orkney will be reinstated in financial year 2020/21.

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.

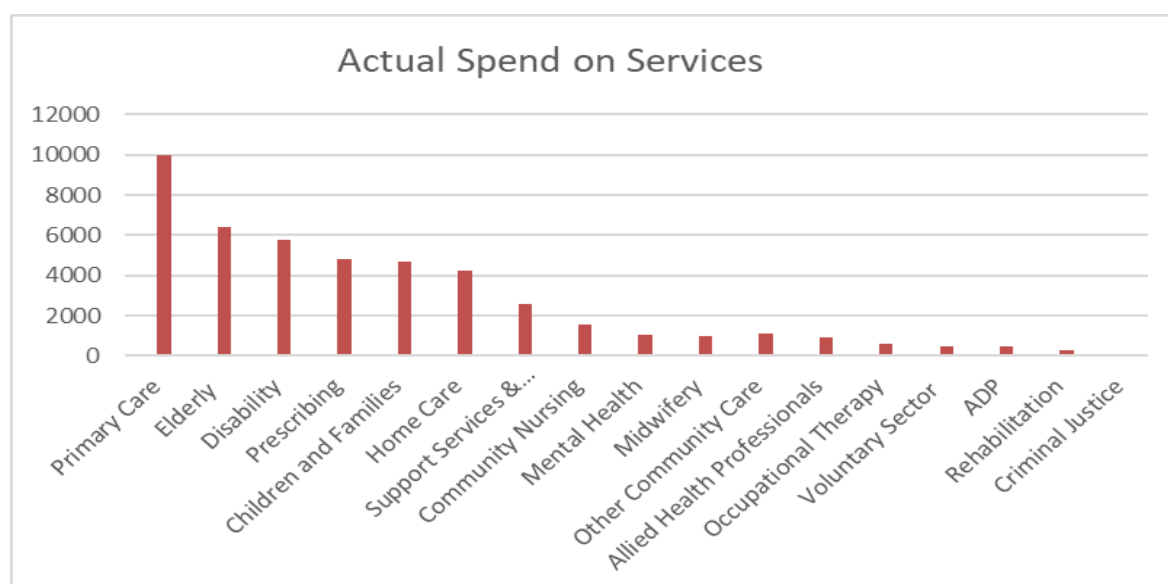
4.7. Where such recovery plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the Board.

5. Financial Position

5.1. The following table shows the year end financial position as at 31 March 2020.

IJB Commissioned Services	Year End Spend £000	Annual Budget £000	Over/(Under) Spend	
			£000	%
Support Services & Overheads	2,549	2,546	3	100.1
ADP	453	455	-2	99.6
Voluntary Sector	446	461	-15	96.7
Children and Families	4,713	4,803	-90	98.1
Prescribing	4,809	4,794	15	100.3
Elderly	6,427	6,453	-26	99.6
Disability	5,761	5,593	168	103.0
Mental Health	1,035	986	49	105.0
Other Community Care	1,136	1,214	-78	93.6
Occupational Therapy	598	604	-6	99.0
Home Care	4,218	3,927	291	107.4
Criminal Justice	0	55	-55	0.0
Community Nursing	1,574	1,599	-25	98.4
Primary Care	10,002	10,281	-279	97.3
Allied Health Professionals	910	913	-3	99.7
Rehabilitation	265	269	-4	98.5
Midwifery	969	955	14	101.5
Reserves	342	299	43	114.4
Service Totals	46,207	46,207	0	100.0

5.2. The current spend can be illustrated as follows:



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

5.3.1. Children and Families (Y/E £90K underspend).

There have been various underspends within the service due to not having a full complement of intensive foster carers. Actual expenditure on throughcare/ aftercare costs was also less than anticipated 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) also had a vacancy which contributed to the service having an overall underspend.

5.3.2. Disability (Y/E £168K overspend).

There continues to be overspends within this service due to placements outwith Orkney, with increased supporting living rates.

5.3.3. Mental Health (Y/E £49K overspend).

There have been additional costs regarding employing a locum consultant psychiatrist locally as well as agency nursing being required to cover vacancies.

5.3.4. Other Community Care (Y/E £78K underspend).

There were various vacancies within the Adult Social Work team throughout the year.

5.3.5. Home Care (Y/E £291K overspend).

Introduction of Self-Directed Support was to enable choice and flexibility in how people receive their care and should not incur additional costs. However, there is an inability to reduce the current, limited, in-house service provision. An internal audit report was presented to the IJB Audit Committee on 19 November 2019 which highlighted 8 recommendations which will strengthen policies and procedures.

In addition, the demand continues to grow, which is largely as a result of keeping people at home for longer and to keep hospital stays to a minimum length of stay.

5.3.6. Primary Care (Y/E £279K underspend).

There is an underspend due to the Dental Primary Medical Services as a result of restructuring. There were also vacancies within Primary Care throughout the year and a reduction in requirement for locum cover which all contributed to an overall underspend within the service.

5.3.7. Reserves (Y/E Forecast £43K overspend).

There was £429K in the reserves account at the year end. The earmarked reserves split is as follows:

Service	Spend £000
Primary Care Services	247
Alcohol and Drug Partnership	95
Total	342

However, there was also an efficiency saving applied at the year end of £130K so as the IJB would have a balanced budget.

It has been agreed that this efficiency saving will be reinstated in 2020/21.

6. COVID-19

6.1. Due to the timing of COVID-19 there was minimal disruption or additional costs within financial year 2019/20.

7. Unplanned Admissions

7.1. Within the Public Bodies (Joint Working) (Scotland) Act 2014 and regulations there is a requirement that the budget for hospital services, used by the partnership population, is included within the scope of the Strategic Plan. Where a Health Board and an Integration Authority are coterminous (cover the same area), unscheduled adult inpatient services must be delegated to the Integration Authority, based on the functions included in the legislation.

7.2. This budget, also known as set aside, was not formally delegated to the Orkney IJB for financial year 2019/20. However, in May 2020, NHS Orkney formally agreed to delegate this budget for financial year 2020/21. This is the subject of a separate report to be considered at this meeting.

7.3. The year end position is as follows:

Year End Spend £000	Annual Budget £000	Over/(Under) Spend	
		£000	%
8,617	7,842	775	109.9

7.4. 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.

8. Contribution to quality

Please indicate which of the Orkney Community Plan 2019 to 2022 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.

9. Resource implications and identified source of funding

9.1. The revenue expenditure outturn indicates a breakeven position for financial year 2019/20.

9.2. An additional contribution of £165,700 was received from the Council at the year end in regard to Outwith Orkney placements.

9.3. The efficiency target of £130,000 applied by NHS Orkney will be reinstated in financial year 2020/21.

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.	No.

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 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	
Redetermination Appropriate Adult		2	
2020/21 Savings taken in 2019.20		(1)	
Out of Orkney Placements		165	
Re-align Central Administration Apportioned Costs		(103)	
NHS			
Non Cash Limited Reduction	(29)		
Additional ADP Funding	82		
Primary Care Improvement Fund	119		
MND Funding	8		
Tarriff Reduction to Global Sum	(149)		
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	41	
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	243		
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		(75)	
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	
Scottish Trauma Network Funding		7	
Prescribing (Covid 19)		66	
Covid 19 Funding		27	
Non Cash Limited Review	89		
Efficiency Savings Target		(130)	
	902	825	1,727
	Budget at March 2020		46,207

Annex 2: IJB Reserves

	£000
Alcohol and Drugs Prevention 19/20.	95
PCIF 19/20.	90
Primary Care Support	17
Primary Care Digital Technology.	71
Primary Care Rural Fund.	41
Improvements to GP Premises.	14
Third Sector Partnership.	14
Total Reserves.	342

The funding detailed above is ring fenced and therefore cannot be used for any other purpose.