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Agenda Item:

## **Integration Joint Board**

**Date of Meeting: 19 June 2024.**

**Subject: Revenue Expenditure Outturn.**

### **1. Purpose**

1.1. To advise Members of the revenue expenditure outturn position for financial year 2023/24.

### **2. Recommendations**

The Integration Joint Board is invited to note:

2.1. The revenue expenditure draft outturn statement in respect of the Orkney Health and Social Care Partnership, excluding Set Aside, for financial year 2023/24, as detailed at section 4.1 of this report.

2.2. That, for financial year 2023/24, the draft outturn position for the IJB is an overspend position of £5.609 million. The total Integration Joint Board (IJB) approved budget was £67.612 million and the draft outturn spend is £73.221 million.

2.3. The overspend position comprises:

- NHS Orkney (NHSO) commissioned service - £1.666 million.
- Orkney Islands Council (OIC) commissioned services - £3.943 million.

2.4. That the entirety of the NHSO overspend, £1.666 million, can be attributed to the £2.4 million savings target that was set prior to the pandemic. Although the savings target has not been met, the saving was applied to the budget by NHSO.

2.5. That, at the time of writing this report, confirmation is still awaited from NHSO regarding approval of additional payment from the Board of NHSO to cover the overspend outlined in section 2.4.

2.6. The revenue expenditure outturn statement in respect of the Set Aside budget for financial year 2023/24, as detailed at section 5 of this report, which indicates a year end balanced position.

2.7. That additional funding of £1.993 million was received via NHSO to achieve a year end balanced position for Set Aside services.

2.8. The options available to the OIC, as stated in paragraph 4.3.1.4 of the Integrated Resources Advisory Group Finance Guidance, namely:

- Make additional one-off payments to the Integration Joint Board; or
- Provide additional resources to the Integration Joint Board which are then recovered in future years, subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address this.

2.9. That the Council has agreed “subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address the overspend, to provide additional resources to the IJB which are then recovered in future years where an underspend position is achieved”.

### 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.

### 4. Financial Position

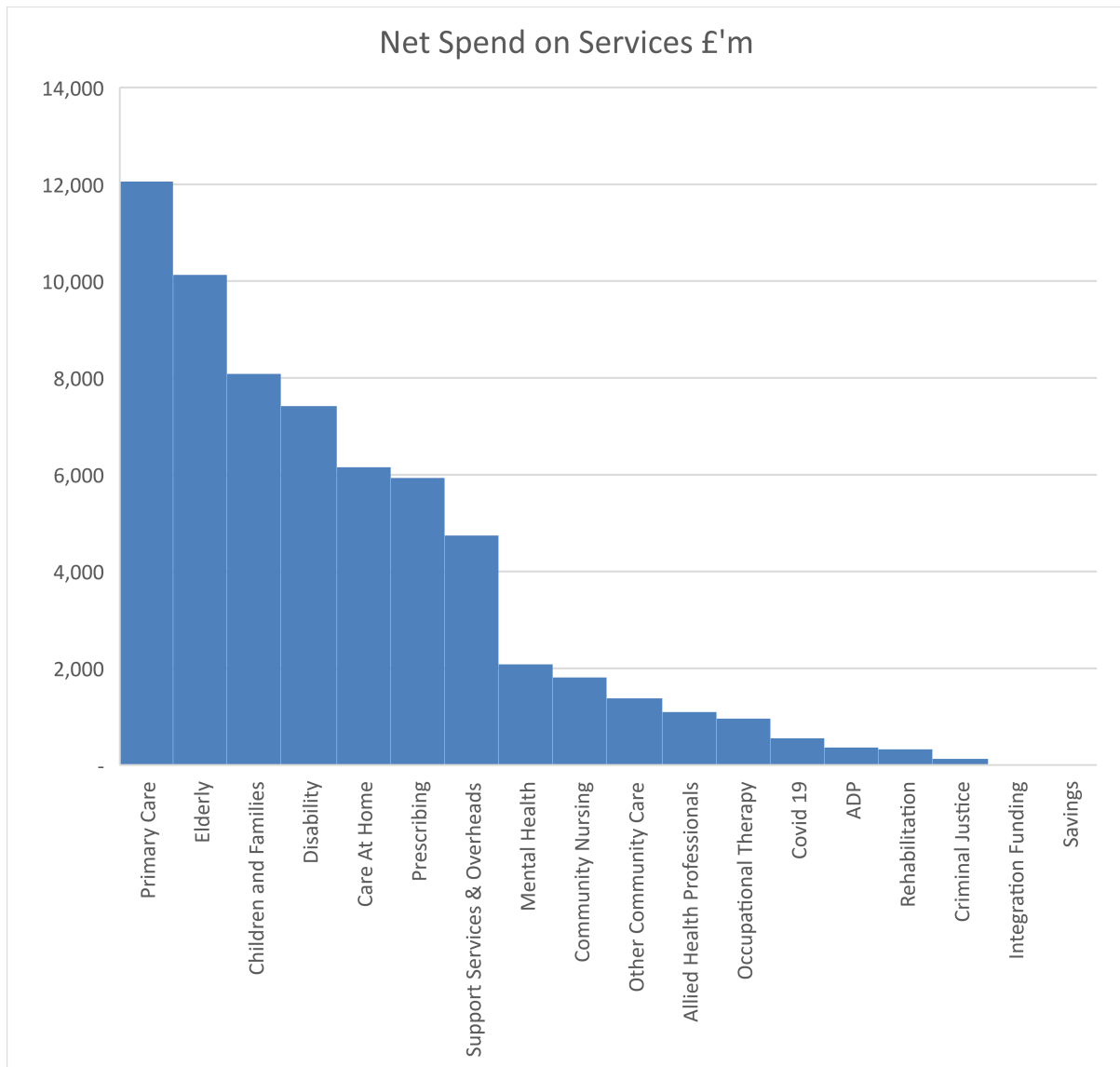
4.1. The following table shows the summary year-end financial position, for IJB delegated services, excluding set aside, as at 31 March 2024.

	<b>Full Year Spend</b>	<b>Annual Budget</b>	<b>Over/(Under) Spend</b>	
<b>IJB Commissioned Services</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Health	31,274	29,608	1,666	105.6
Social Care	30,885	26,942	3,943	114.6
<b>Service Totals</b>	<b>62,159</b>	<b>56,550</b>	<b>5,609</b>	

4.1.1. The following table shows detailed year-end financial position per service, for IJB delegated services, excluding set aside, as at 31 March 2024.

	<b>Full Year Spend</b>	<b>Annual Budget</b>	<b>Over/(Under) Spend</b>	
<b>IJB Commissioned Services</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Support Services and Overheads	4,747.	5,529.	(782).	85.86.
Alcohol and Drugs Partnership	368.	533.	(165).	69.04.
Children and Families	8,089.	7,061.	1,028.	114.56.
Prescribing	5,936.	5,643.	293.	105.19.
Elderly	10,130.	7,866.	2,264.	128.78.
Disability	7,418.	6,601.	817.	112.38.
Mental Health	2,082.	1,896.	186.	109.81.
Other Community Care	1,380.	1,505.	(125).	91.69.
Occupational Therapy	960.	1,057.	(97).	90.82.
Care at Home	6,155.	5,601.	554.	109.89.
Criminal Justice	131.	243.	(112).	53.91.
Community Nursing	1,814.	1,928.	(114).	94.09.
Primary Care	12,061.	12,370.	(309).	97.50.
Allied Health Professions	1,097.	1,116.	(19).	98.30.
Rehabilitation	328.	294.	34.	111.56.
COVID-19	558.	504.	54.	110.71.
Reserves	(1,095).	(1,531).	436.	71.52.
Savings	0.	(1,666).	1,666.	
<b>Service Totals</b>	<b>62,159.</b>	<b>56,550.</b>	<b>5,609.</b>	

#### 4.2. The current net spend can be illustrated as follows:



##### 4.2.1. Support Services and Overheads (£782K underspend).

The main cause of the underspend was due to the additional money received from Scottish Government for additional capacity. The amount should have been reallocated across services but was held centrally in the Council's IJB cost centre.

In addition, NHSO support services budgets was £106K underspent due to vacancies, the cost of the PARIS case management system is £58K more than allocated budget and administration budgets were £51K underspent.

##### 4.2.2. Alcohol and Drugs Partnership (£165K underspend).

The main causes of the underspend were £57K on home detox services and £86K on alcohol prevention services.

#### **4.2.3. Children and Families** (£1,028K overspend).

There was a continued reliance on agency staffing due to recruitment issues and long-term sickness. The overall staffing budget was £820K overspent. £1,313K was spent on agency staff which includes accommodation and travel.

There was an overspend of £302K on Outwith Orkney Placements for young people and £235K on Fostering Placements.

Due to staff vacancies, there were underspends in Peedie Sea Centre (£66K), School Nurses (£65K) and Health Visitors (£94K). A further £107K relates to underspend on miscellaneous budgets in the service.

#### **4.2.4. Prescribing** (£293K overspend).

The trend of overspend against budget for prescribing continued into the 2023/24 financial year. There has been an increase in average unit price.

#### **4.2.5. Elderly** (£2,264K overspend).

There was a continued reliance on agency staffing due to recruitment issues and long-term sickness absence within residential care homes. In total the net cost of providing residential care was £1,623K overspent against budget. £1,032K of agency expenditure, which includes accommodation and travel, was incurred in residential care homes during the 2023/24 financial year.

The trend of increasing volume of need for the provision of residential care by third parties outwith Orkney continued into the 2023/24 financial year with spend exceeding budget by £584K.

Day care centres budget was underspent by £30K and Direct Payments were £83K over budget for the year.

#### **4.2.6. Disability** (£817K overspent).

The overall disability staffing budget was £442K overspent. £454K was spent on Agency staff which includes accommodation and travel.

Provision of learning disability supported accommodation was £401K overspent and disabled commissioned services was £338K overspent against budget.

#### **4.2.7. Mental Health** (£186K overspend).

The main cause of the overspend was due to unfunded posts.

#### **4.2.8. Other Community Care** (£125K underspend).

There was an underspend of £125k due to staff vacancies.

#### **4.2.9. Occupational Therapy** (£97K underspend).

There was £79K underspend on staffing due to vacancies and £48K underspend on other Occupational Therapy budgets. This was off set by £30K overspend on energy costs and rates relating to the Selbro Centre.

#### **4.2.10. Care at Home** (£554K overspend).

There was a continued reliance on agency staffing due to recruitment issues and increasing demand within the Care at Home service. The staffing budget was £364K overspent. £1,380K was spent on agency staff within the Care at Home service. There are further recruitment campaigns scheduled for Care at Home staff which will hopefully reduce the reliance on agency staff to some degree in the future.

Other areas of overspend within the service were £71K on Carers budget other expenditure and £28K on Meals on Wheels.

The recharge amount for the services included in the Integrated Fund was greater than the approved uplift amount resulting in a £78K overspend.

#### **4.2.11. Criminal Justice** (£112K underspend).

The underspend was mainly as a result of additional grant income received.

#### **4.2.12. Community Nursing** (£114K underspend).

Underspend relates mainly to staff vacancies in Mainland Nursing Teams.

#### **4.2.13. Primary Care** (£309K underspend).

There was an underspend within community dental services due to staff vacancies.

#### **4.2.14. Savings unachieved** (£1,666K overspend).

£1,666K relates to unachieved savings of the £2.4 million target.

## 5. Set Aside

5.1. The following table shows the year end position as at 31 March 2023:

Services	Annual Budget. £.	Full Year Spend. £.	Over/ (Under) Spend. £.	Over/ (Under) Spend. %.	Explanation of Variance.
Acute Services.	1,629,356.	2,187,363.	558,007	134%.	Includes £375K of unfunded agency costs that would previously have been charged to COVID-19, £122K overspend on registered nursing (over establishment) and £57K overspend on supplies.
Medical Team – Junior Doctors.	1,137,585.	1,598,483.	460,898.	141%.	£732K relates to the spend on agency which is partly offset by non recurring funding and vacancies in the budgeted establishment.
Medical Team – Consultants.	823,764.	1,053,941.	230,177.	128%.	£205K relates to the overspend on locums (compared to non recurring cost pressure funding). The balance is due to the non-pay costs like accommodation.
Assessment and Rehabilitation.	1,909,960.	2,086,576.	176,616.	109%.	Variance includes £238K of agency costs that are partially funded by vacancies.
Hospital Drugs.	821,132.	1,158,218.	337,086.	141%.	Drugs issued by Pharmacy Department to Hospital Wards. 2022/23 outturn was £1.310M.
Acute Receiving.	831,219.	1,261,872.	430,653.	152%.	Forecast includes £197K of unfunded agency costs that would previously have been charged to COVID-19, £144K overspend on

<b>Services</b>	<b>Annual Budget. £.</b>	<b>Full Year Spend. £.</b>	<b>Over/ (Under) Spend. £.</b>	<b>Over/ (Under) Spend. %.</b>	<b>Explanation of Variance.</b>
					registered nursing (over establishment) and £58K overspend on supplies.
Acute Mental Health Placements.	351,052.	209,884.	(141,168).	60%.	Underspend is due to a reduction in the number of patients being treated in the clinic. £204K of the budget is non-recurring cost pressure funding
<b>Sub Total.</b>	<b>7,504,068.</b>	<b>9,556,337</b>	<b>2,052,269.</b>		
<b>Memorandum Budget - Off Island Acute Services:</b>					
Unplanned Activity (UNPACS).	578,570.	434,905.	(143,665).	75%	Expenditure for unplanned activity is unpredictable. Costs for 2023/24 were lower than 2022/23.
SLA Healthcare Purchasing Grampian Mental Health.	729,054.	749,277.	20,223.	103%	Revised charge from NHS Grampian.
SLA Healthcare Purchasing Grampian Block.	169,025.	169,025.	0.	100%	
SLA Healthcare Purchasing Lothian	88,423.	152,535.	64,112.	173%	Revised charge from NHS Lothian.
Sub Total.	1,565,072.	1,505,741	(59,331).		
<b>Grand Total - Set Aside</b>	<b>9,069,140.</b>	<b>11,062,078.</b>	<b>1,992,938.</b>		
Additional year-end funding	1,992,938.	0.	(1,992,938).		
<b>Total Set Aside</b>	<b>11,062,078.</b>	<b>11,062,078.</b>	<b>0.</b>		



## 6. Contribution to quality

Please indicate which of the Orkney Community Plan 2023 to 2030 values are supported in this report adding Yes or No to the relevant area(s):

<b>Resilience:</b> To support and promote our strong communities.	Yes.
<b>Enterprise:</b> To tackle crosscutting issues such as digital connectivity, transport, housing and fuel poverty.	No.
<b>Equality:</b> To encourage services to provide equal opportunities for everyone.	Yes.
<b>Fairness:</b> To make sure socio-economic and social factors are balanced.	Yes.
<b>Innovation:</b> To overcome issues more effectively through partnership working.	No.
<b>Leadership:</b> To involve partners such as community councils, community groups, voluntary groups and individuals in the process.	No.
<b>Sustainability:</b> To make sure economic and environmental factors are balanced.	Yes.

## 7. Resource and financial implications

7.1. The revenue expenditure outturn indicates an overspend position of £5,609K for financial year 2023/24.

7.2. As at the time of writing this report, the IJB has not received confirmation on additional contributions from NHSO to achieve a balanced year end position.

7.3. Additional funding of £1,993K was received from NHSO to achieve a year end balanced position for Set Aside services.

7.4. After consideration, the Council has agreed “subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address the overspend, to provide additional resources to the Integration Joint Board which are then recovered in future years where an underspend position is achieved”.

7.5. Reliance cannot be placed on year-end additional funding being available from funding partners in future years.

## 8. Risk and equality implications

8.1. 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.

8.2. Reliance cannot be placed on year-end additional funding being available in future years. There is therefore a material risk that the current level of service provision may not be affordable in future years.

## 9. Direction required

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

NHS Orkney.	No.
Orkney Islands Council.	No.

## 10. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.

## 11. Authors and contact information

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## 12. Supporting documents

12.1. Annex 1: IJB Reserves/Holding Account.

## Annex 1: IJB Reserves/Holding Account

	As At 01/04/23.	Funds In.	Funds Out.	Balance at 31/03/24
<b>Reserves:</b>	<b>£000's.</b>	<b>£000's.</b>	<b>£000's.</b>	<b>£000's.</b>
Primary Care.	670.	795.	(843).	622.
COVID-19.	68.	70.	0.	138.
Hospital at Home.	304.	0.	(85).	219.
Integration Support/System Pressures.	660.	382.	(655).	387.
Alcohol and Drugs Prevention.	354.	242.	0.	596.
Mental Health.	453.	941.	(1,088).	396.
Children and Family Services.	4.	68.	(64).	8.
Care at Home.	0.	0.	0.	0.
Interim Care.	0.	0.	0.	0.
Other.	10.	495.	(66).	439.
Uplifts.	0.	456.	(456).	0.
<b>Total Earmarked Reserves.</b>	<b>2,523.</b>	<b>3,449.</b>	<b>(3,257).</b>	<b>2,715.</b>