

CÙRAM IS SLAINTE NAN EILEAN SIAR

INTEGRATION JOINT BOARD AUDIT & RISK COMMITTEE



Meeting date:	03 October 2023
Item:	5.3.1
Title:	Chief Finance Officer - Q1 Financial Summary
Responsible Officer:	Debbie Bozkurt Chief Finance Officer
Report Author:	As above

1 Purpose

This is presented to the Integration Joint Board Audit & Risk Committee (IJBA&RC) for:

- Awareness

This report relates to a:

- Annual Operation Plan

Competence:

- There are no legal, financial or other constraints associated with the report.

2 Report summary

2.1 Situation

2.1.1 This narrative reflects the spend to date (as recorded in the Partners Financial systems) and explains any recurring cost pressures and non-recurring cost pressures variances which have arisen in the first 3 months of the year which are likely to have an impact on our year end outturn.

2.1.2 As of 30th June 2023, the IJB can be brought back to a projected break-even position, however this is only achieved by using all General reserves and some contingency.

2.2 Background

- 2.2.1 Specific issues, still to be resolved or confirmed effecting outturn calculation is as follows; the opening of Bremner Court, reduction in pay up lift allocations for NHS, projections relating to timing of increase in grade for homecare workers, Mental Health Outcome Framework funds due and other specific funding not yet received.
- 2.2.2 **The next public IJB Board is 11 October 2023, and it is anticipated that there will be Month 5 figures ready**, and we would understand and take onboard the financial position relating to Bremner court, understanding the staff recruitment and likely opening dates to ascertain the costs for financial year 2023/24. Within the M3 Social Care position there are no projected costs for Bremner court in the figures, other than an estimate for voids.

2.3 Assessment

- 2.3.1 Figures within the Social Management Figures show an underspend relating to Bremner Court of approx. £1.8m if this does materialise then it results in the underutilization in the first year of the specific "Goathill" reserves of @ £1.2m.
- 2.3.2 Western Isles Demographics are poor with a large reduction in the young, reduction in working age but a 25% increase in the elderly which has not only affected workforce but has increased the cost of treating and caring for our population. The work undertaken for the Scottish Government, as part of the precursor to the Integrated Joint Boards (Integrated Resource Framework) using 2011 data, calculated a cost per patient/client, per age group, per geographical area.
- 2.3.3 This showed that it was far dearer to provide care for the over 65s than under 65s due to the increased acuity for complex treatment and hours of homecare required for the over 65s. The figures calculated have been updated to today's money and recalculated totals are shown for the change in population in under 65s, 65-74 and the 75s and over. This shows there is a **£5.3m increase** for the Total NHS Service and **£3.1m increase** for Social Care over and above the inflation uplift which, can be attributed to demographic changes over the last 12 years.

Main Cost Pressures to date

- 2.3.4 *Agency Costs* – High Agency costs are still continuing with no substantive posts within Psychologists and long-term absences by the regular locums. There is locum cover required for a maternity leave for one of our general medicine consultants. There are also vacancies across all specialities. Controls have been put in place to reduce the use of off framework agencies and increase the use of IR35 locums (NHS Western Isles are at a high level of IR35 locums already).
- 2.3.5 *GP OOH and unscheduled care*– There are still cost pressure within OOH due to the use of locums but successful recruitment for the Barra GP practice should mean that costs drop. Further projection work will clarify position once GP start work. There are still pressures in other geographical locations.
- 2.3.6 *Acute Nursing* - There are continuing pressures on the Acute Nursing budget due to high level of delayed discharges resulting in unbudgeted contingency beds being open.
- 2.3.7 *General Inflation* – Generally high inflation costs are still affecting utilities, food costs, drugs etc. These costs are far above the budget uplifts that partners were funded for or could afford.

2.3.8 *Prescribing* – Prescribing costs are already showing a pressure and as mentioned in 1.7 the increasing elderly population with a higher level of co-morbidity is causing these costs to increase. NHS Western do have a team of community pharmacists which are trying to create efficiencies but the change in demographics means the Board is struggling to make any further efficiencies within Prescribing. It is also to note that all but one GP practice in the Western Isles is privately owned.

2.3.1 Quality/ Patient Care

NA

2.3.2 Workforce

NA

2.3.3 Financial

Report is a financial report and is for review so there is no other financial impact of this report

Accountants Name	Signature

Comment from the Chief Finance Officer:

2.3.4 Risk Assessment/Management

There are a number of financial risks associated with the Board achieving financial stability over and above the pressures recognised at quarter 1 and these are as follows.

- The Board has increasing numbers of delayed discharges, with full care homes and vacancies within homecare staffing, which is causing pressure on contingency beds, together with an increase in co- morbidities due to the aging population. It is also anticipated the situation could worsen during the winter months, with high levels of respiratory and other “winter” illnesses outstripping capacity. The financial risk is £300k and is **high**.
- The increase in agency across other areas of services may increase as the year progresses. The risk is estimated at £350k and is rated as **high**.

2.3.5 Equality and Diversity, including health inequalities

An impact assessment has not been completed because as not a necessary action for this report.

2.3.6 Climate Emergency and Sustainability Development

N/A

2.3.7 Other impacts

None.

2.3.8 Communication, involvement, engagement and consultation

The Board has carried out its duties to involve and engage external stakeholders where appropriate:

This report is does not need to be consulted on

2.3.9 Route to the Meeting

This has been previously considered by the following groups as part of its development. The groups have either supported the content, or their feedback has informed the development of the content presented in this report.

Reported to the ICMT 7th September 2023

2.4 Recommendation

State the action being requested. Use one of the following directions for the meeting. No other terminology should be used.

- **Awareness** – For Members' information only.

3 List of appendices

The following appendices are included with this report:

None