



CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

Integrated Joint Board - Financial monitoring report for the 9 months to 31st December 2020

Introduction

The financial monitoring report provides an overview of the Integrated Joint Board's financial position at the end of December 2020. It contains the following sections:

1. Key Figures and Comments
2. Income and Expenditure
3. Chief Officer's Administration and Management budgets
4. Head of Locality Services budgets
5. Head of Partnership Services budgets
6. Head of Dental Services budgets
7. Head of Mental Health budgets
8. Associate Medical Director budgets
9. Alcohol and Drugs Partnership
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11. Financial Efficiency Plan
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1. Key Figures and Comments

	Year To Date Month 12			Full Year Projection		
	Budget	Actual	Variance	Budget	Projection	Variance
	Under/(over)			Under/(over)		
	£'000	£'000	£'000	£'000	£'000	£'000
NHS	32,661	32,784	(123)	43,481	43,464	17
CnES	15,606	15,594	13	20,801	21,652	(850)
Reserves	0	0	0	0	(580)	580
Specific Reserves - Apprentices	0	0	0	0	(151)	151
Contingency	0	0	0	0	(102)	102
	48,267	48,378	(110)	64,282	64,283	(0)

Summary

- 1.1 This report reflects the spend to date and explains any variances which have arisen in the first 9 months of the year which are likely to have an impact on our year end outturn including expenditure and the funding of COVID 19, on both partners.
- 1.2 At 31st December 2020 the Board is showing an overspend of **£110k** and a projected break-even position once budgeted reserves and contingency has been applied.
- 1.3 However, the break-even position is on the understanding that the Board will receive all the funding required for COVID 19. There are a number of key areas of funds still not yet received, **totalling £1,129,399** (as shown in table below). The one that is of the biggest area of concern is the prescribing costs associated with COVID 19 (£329k), The Board is due to receive the final COVID allocation from the Scottish Government on 5th February 2021.

Covid 19 Expenditure and Funding

- 1.4 The NHS Covid 19 costs are held in a memorandum account and for the purposes of monthly monitoring we have assumed NHS Western Isles will receive funding to cover all expenditure including the services the fall under the remit of the Integrated Joint Board. There is a risk in that the IJB may not be fully funded for COVID 19 as mentioned at 1.3.
- 1.5 Within the Social Care accounts is the in year costs of COVID 19 but the projection assumes all the COVID 19 costs are fully funded. The following table shows the expenditure claimed on mobilisation plans to the Scottish Government and funding agreed and received.

Description	Total £	NHS IJB £	CnES IJB £
Revenue Costs	2,527,649	1,129,708	1,397,941
Revenue Funding Received	-1,398,250	-603,250	-795,000
Revenue Funding Gap	1,129,399	526,458	602,941

- 1.7 The Scottish Government have kept back approx. 30% of the funding for both Health and Health and Social Care partnerships. The Government is at present reviewing the actual expenditure and will make the final payment based on these costs.

Month 7 high level variances

- 1.8 There are a number of high level variances which are summarised below and detailed in the sections 2 to 10:
- Comhairle Residential Care has a projected overspend of **£115k**. The overspend relates to unachievable vacancy savings although in total within Social Care the £500k vacancies have been achieved.
 - Within CnES management was a budgeted projection of £662k general reserves. Carried forward into 20/21 is an actual general reserve of £580k, a shortfall in budget of **£82k**.
 - There is a projected overspend on Commissioning and Partner Services of **£253k** due to increased spot purchasing.
 - Community Care within NHS budgets is projected to overspend **£99k**, this is due to increased costs of special care packages. This budget will be reviewed after the 3rd quarter invoices have been received.
 - There is an in year overspend on General Medical Consultants including Specialised Doctors of **£88k** and a projected overspend of **£131k**. The overspend is due to vacancies within the service necessitating high cost locum coverage. To note this position has improved from previous year where a **£700k** overspend at year end was recorded. The medical director is looking at new more cost effective ways of working which has reduced agency use coupled together with a lower requirement for cover during the COVID 19 reduction in hospital services.
 - There is a projected overspend on OOHs GPs of **£145k** due to the requirement to fill the rota with locum GPs.
 - There is an a projected overspend on acute adult mental health placements of **£164k** due to 2 new high cost placements being made through the first 9 months of this financial year.
 - The Dental Service is projecting to underspend at year end by **£316k** due in part to reduced levels of service resulting in less agency staff being used to cover vacant posts. This projection will be reviewed closely each month to ensure projections are updated to match any increase in services offered.

Efficiency Savings

- 1.9 The Integrated Joint Board's cash efficiency target is £2,419k, this is the IJB required efficiency savings.
- 1.10 It is estimated that the IJB has already achieved savings of £1,406k, against the Financial Efficiency Plan (FEP) of and at month 9 the Board is forecasting to achieve £2,296k of

these savings. Some of the high risk savings may not achieve but there are at present other areas at that are saving beyond their target to compensate.

2. Income and Expenditure Summary

Sections 2-9 of this report provide further detail on the operational position

Income & Expenditure at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Chief Officer - Management	982	1,060	(77)	1,414	2,123	(709)
Head of Locality Services	15,390	15,255	134	20,546	20,383	163
Head of Partnership Services	9,605	9,528	77	12,847	13,064	(217)
Head of Dental Services	2,509	2,319	190	3,131	2,815	316
Head of Mental Health Services	2,345	2,140	205	3,097	3,036	61
Associate Medical Director	11,959	12,469	(510)	15,661	15,906	(245)
Alcohol and Drugs Partnership	296	311	(15)	680	680	0
Acute Set Aside	5,181	5,296	(115)	6,907	7,109	(202)
Reserves - General	0	0	0	0	(580)	580
Reserves - Apprentices	0	0	0	0	(151)	151
Contingency	0	0	0	0	(102)	102
Total Net Cost	48,267	48,378	(110)	64,282	64,283	-

- 2.1 The above table shows the IJB's overall spending position at the end of Month 9 analysed by Heads of Service. Subsequent sections give more detail on each of the lines shown above.

3. Chief Officer Administration and Management

Chief Officer - Management at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Management	706	669	37	1,070	1,046	24
Community Admin	86	82	4	90	92	(2)
CnES Management and Admin	(39)	111	(150)	(52)	679	(731)
Housing Services	230	198	32	306	306	0
Surplus/ (Deficit)	982	1,060	(77)	1,414	2,123	(709)

- 3.1 The above table shows the spending position on the Chief Officer's management budgets. The year end projected underspend in community management is due to a vacancy within the management structure.
- 3.2 The overspend against CnES Management and Admin is due to the non-drawn down of budgeted reserves within the Comhairle partners budget. These will be transferred at year end.

4. Head of Locality Services

Head of Locality Services at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Nursing	3,170	2,926	244	4,259	3,988	271
Community Hospitals	1,745	1,893	(148)	2,326	2,543	(217)
CnES Residential Care	3,567	4,538	(971)	4,755	4,870	(115)
Adult Care and Support Services	2,380	2,237	143	3,170	3,186	(16)
CnES Home Care	4,419	3,585	834	5,891	5,651	240
Adult Care Transport	109	76	33	145	146	(0)
Community Care	0	0	0	0	0	0
Surplus/ (Deficit)	15,390	15,255	134	20,546	20,383	163

- 4.1 The above table shows the spending position on the Head of Locality's budgets. There is an in year underspend of **£134k** and a projected underspend of **£163k**.
- 4.2 Homecare has a projected underspend on salaries of £596k offset by £350k of projected agency costs. Adult Social care received non-recurring funding for winter pressures, this has not been included in the figures at month 9, but the assumption at present is these funds will be used in full.
- 4.3 Comhairle Residential Care has a projected overspend of **£115k**. This is due to the un-achievement of the vacancy saving as recruitment has been more successful this financial year.
- 4.4 Community Nursing is projected to underspend **£271k** as further vacancies have occurred and a number of Band 4 student nurses were deployed into community, funded through NES as part of the COVID 19 mobilisation, this has reduced the need for bank staff.
- 4.5 There is a projected overspend on Community Hospitals of **£217k** due to staffing resourcing issues and the need to bring nursing agency cover in. Any increased staffing costs due to the COVID outbreak at Barra will be charged against the COVID funds.

5. Head of Partnership Services

Head of Partnership Services at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Podiatry	378	351	27	504	463	41
Dietetics	245	258	(13)	350	350	0
Occupational Therapy	506	501	5	677	680	(3)
Physiotherapy	712	658	54	949	877	72
Community Care	1,379	1,467	(88)	1,867	1,966	(99)
Integration Funds	1,444	1,444	0	1,913	1,913	0
Criminal Justice	166	106	59	220	180	40
Assessment and Care Services	927	651	275	1,236	1,262	(26)
Commissioning and Partners	2,545	3,007	(462)	3,393	3,646	(253)
Adult Mainland Placements	1,303	1,083	220	1,738	1,727	10
Surplus/ (Deficit)	9,605	9,528	77	12,847	13,064	(217)

- 5.1 The above table shows the spending position on the Head of Partnership's budgets. There is a **£217k** projected overspend partly due to increased cost of mainland packages and a **£253k** overspend under Commissioning and Partners due to an increase in spot purchases and underspends in Allied Health Professional budgets.

6. Head of Dental Services

Head of Dental Services at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Dental inc. Oral Health	477	387	90	309	191	118
General Dental Services	2,032	1,932	100	2,822	2,624	198
Surplus/ (Deficit)	2,509	2,319	190	3,131	2,815	316

- 6.1 The Dental Service is projecting to underspend at year end by **£316k** due in part to reduced levels of service (due to the pandemic) resulting in less agency staff being used to cover vacant posts. This projection will be reviewed closely each month to ensure projections are updated to match any increase in services offered.

7. Head of Mental Health Services

Head of Mental Health Services at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Mental Health Management	482	301	181	615	553	62
Mental Health Consultants	380	483	(103)	506	643	(137)
Mental Health Nursing	1,483	1,356	127	1,976	1,840	136
Surplus/ (Deficit)	2,345	2,140	205	3,097	3,036	61

- 7.1 The above table shows the spending position on the Head of Mental Health budgets.
- 7.2 There is a projected overspend of **£137k** relating to the employment of a high cost psychiatrist working a one in two rota and the requirement of on the job training for a long term NHS locum. The overspend has reduced from month 7..
- 7.3 There is a projected underspend of **£136k** in mental health nursing where there are still established posts to be filled after the mental health review

8. Associate Medical Director

Associate Medical Director at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Medical	187	190	(3)	250	253	(3)
GMS	5,204	5,201	3	7,010	7,010	0
GPS - Prescribing	4,127	4,501	(374)	5,513	5,610	(97)
FHS	1,848	1,849	(1)	2,104	2,104	0
Out of Hours	593	728	(135)	784	929	(145)
Surplus/ (Deficit)	11,959	12,469	(510)	15,661	15,906	(245)

- 8.1 The above table shows the spending position on the Associate Medical Director budget. The overspend in OOH partly relates an unachievable financial saving and the use of agency GPs.
- 8.2 It must be noted that although the GPS prescribing is showing as a £97k pressure this is dependent on receiving COVID funding to pay for increased prescribing and increase in the price of some drugs due to COVID made shortages. The Board will hear back by 5th February whether COVID funding for Prescribing is available.

9. Alcohol and Drugs Partnership

Alcohol & Drugs Partnership at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Alcohol and Drugs Partnership	296	311	(15)	680	680	0
Surplus/ (Deficit)	296	311	(15)	680	680	0

- 9.1 The above table shows the spending position on the Alcohol and Drugs Partnership budget. There are no major variances projected at year end.

10. NHS Set Aside

Set Aside at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Acute Nursing	3,132	3,018	114	4,176	4,082	94
SLA - General Medicine	441	441	0	588	588	0
General Medical Consultants	858	946	(88)	1,143	1,274	(131)
Pharmacy	265	265	0	353	354	(1)
ECR - Adult Mental Health	485	626	(141)	647	811	(164)
Surplus/ (Deficit)	5,181	5,296	(115)	6,907	7,109	(202)

- 10.1 The above table shows the spending position on the NHS Set Aside budget. The set aside budget is showing an in year overspend of **£115k** and a projected overspend of **£202k**.
- 10.2 There is an in year overspend on General Medical Consultants including Specialised Doctors of **£88k** and a projected overspend of **£131k**. The overspend is due to vacancies within the service necessitating high cost locum coverage. To note this position has improved from previous year where a **£700k** overspend at year end was recorded. The medical director is looking at new more cost effective ways of working which has reduced agency use coupled together with a lower requirement for cover during the COVID 19 reduction in hospital services.
- 10.3 There is an a projected overspend on acute adult mental Health Placements of **£164k** due to 2 new high cost placements being made through the first 9 months of this financial year.

11. Financial Efficiency Plan – action plans to achieve break-even

The following table shows the agreed actions, lead officers, contribution to savings and progress to date together with financial risk rating. The table shows that at month 9 the Board has achieved £1,406k and the Board is projected to achieve £2,296k of the identified cash savings.

Ref.	Proposal	Responsible Manager/Clinician R/NR		Saving 20/21 £'000	Month 9 £'000	Year End Proj £'000	Financial Risk
HSCP1	Reduce the frequency and cost of off-island placements for mental health and social care patients/service users	Kirsty Street/Mike Hutchison	R	200	100	100	H
HSCP2	Reduce prescribing costs by deploying primary care pharmacists and implementing 'script switch'	Kirsty Brightwell/Dave Rigby	R	100	-	100	H
HSCP3	Maximise income through charging for residential and non-residential care on basis of full cost recovery (report to go to committee for approval)	Chief Officer	R	85	64	85	L
HSCP4	Financial Flexibility Efficiencies - In year savings non recurring	Chief Officer	NR	296	0	296	L
CNES1	Introduce fleet cars for higher mileage home care workers	Donald E Macleod	R	30	0	8	L
CNES 2	Optimisation of care input (digital medication prompts, safety checks, asset based assessment)	Mary Anne MacIver	R	55	0	14	H
CNES3	Divest interest in Dun Berisay flats	Mary Anne MacIver	R	17	0	2	L
CNES4	Review of residential kitchens	Ella Macbain	R	10	0	3	L
CNES5	Review of residential skills mix	Ella Macbain	R	30	0	8	M
CNES6	Review of High Cost Packages	Kirsty Street	R	50	38	50	H
CNES7	Implementation of Transport Policy	Kirsty Street	R	10	0	3	L
CNES8	Review of adult care skills mix	TBC	R	30	0	8	M
CNES9	Delete ASBO post	Michael Stewart	R	49	37	49	L
CNES10	Social Work Restructure	Michael Stewart	R	66	50	66	L
CNES11	Learning Disability Manager	Chief Officer	NR	50	38	50	L
CNES12	Opportunistic vacancy savings on CNES pay budgets - This would recognise that the social care budgets will offer up opportunistic savings due to difficulty in recruiting to posts.	Chief Officer	NR	500	375	538	M
CNES13	Garrobst Care Units one of NR saving for 20/21	Jack Libby	NR	150	113	150	L

IJB Audit Committee 10.02.21
Agenda Item: 5.3
Purpose: Discussion & Assurance

Ref.	Proposal	Responsible Manager/Clinician R/NR		Saving 20/21 £'000	Month 9 £'000	Year End Proj £'000	Financial Risk
NHS 1	Review of physiotherapy establishment	Sheila Nicolson	R	65	49	65	L
NHS 2	Review of OT establishment	Sonja Smit	R	40	30	40	L
NHS 3	Review of Podiatry establishment	Sarann Macphee	R	20	15	20	L
NHS 4	Mental Health Redesign Efficiencies	Mike Hutchison	R	25	19	25	L
NHS 5	Mental Health Redesign Efficiencies	Mike Hutchison	NR	150	240	297	L
NHS 6	Primary Care OOH Redesign	Stephan Smit	R	70	0	0	H
NHS 7	Community Nursing Southside - Hold post whilst restructuring	Kathleen McCulloch	NR	30	23	30	L
NHS 8	Community Nursing Westside - Hold Post whilst restructuring	Kathleen McCulloch	NR	15	11	15	L
NHS 9	Community Nursing Eastside - Hold post whilst restructuring	Kathleen McCulloch	NR	12	9	12	L
NHS 10	Community Nursing Lewis & Harris - Hold post whilst restructuring	Kathleen McCulloch	NR	20	15	20	L
NHS 11	Community Nursing Health Visitor - various efficiencies	Kathleen McCulloch	NR	10	8	10	L
NHS 12	Childsmile Efficiencies	Colin Robertson	NR	62	47	62	L
NHS 13	Dental restructuring	Colin Robertson	R	48	36	48	L
NHS 14	Dental Efficiencies	Colin Robertson	NR	83	62	83	L
NHS 15	Barra Dental Orthodontics Efficiencies	Colin Robertson	R	5	4	5	L
NHS 16	Dental Management Efficiencies	Colin Robertson	NR	5	4	5	L
NHS 17	AHP Lead	Chief Officer	NR	31	23	31	L
				2,419	1,406	2,296	

12. Financial Risks

There are many potential operational and strategic financial risks faced in achieving the financial plan for 2020/2021 presented here.

Operational

- Assumption within figures is that the Board will get fully funded for COVID 19 pressures. The Board has still not had projected funding of **£1,129k** agreed.
- The Board at the start of Covid were able to clear delayed discharges, these are now starting to creep back up as family members are struggling to cope with caring for elderly family members together with returning to work. The financial risk is **£100k** and is medium.
- Year on year mental health placements both for adults and children are increasing. This is an area where we are working very hard in partnership to reduce costs through considering new arrangements to support people with acute mental health problems within a local context or tailor high cost packages within mainland centres where safe to do so. However the Board is aware of a number of patients that may need intervention in the future and there is a number of CAMHS patients that will shortly transition and need on-going life support. The potential increased impact in 20/21 is **£150k** and is rated as high.
- Consultant workforce has de-stabilised due to a number of issues including diminishing availability, with no substantive post holders in general medicine and psychiatry and only 1 out of 4 post holders in the specialist doctor cohort. There is a reducing out of hours cover as the GP participation in the out of hours service is steadily diminishing. The potential impact is **£100k** and is rated high as issues have not yet been fully mitigated. Work is progressing well to restructure the OOH service and we hope that will be in place by 21/20.
- Winter pressures planning this financial year have flagged up that financially and service wise could be the worse Scotland has seen if we have high instances of flu and COVID 19 together. It could not only effect patients and increase the acute and community and social care work load but also affect our own staff which would have an impact on service provision. The potential financial impact is **£200k** and is rated high.
- There are increasing numbers vulnerable placements within Health and Social Care that are at risk of requiring intervention. The potential impact is **£100k** and this risk is rated as medium.

Strategic Risks

- The challenges posed by the Financial Efficiency Plan are significant, and the proposed savings may not be achieved in their entirety. Of the cash releasing savings required to break even, **£475k** are currently rated as high risk.
- Demographics around the increase in the 80+ and the reduction in the workforce population by 2027 could impact on many of our services. This is not going to happen in 2027 but will steadily occur over the coming months and years. The impact of the change in demographics will see the following; higher drugs cost, increased inpatient days, higher use of agency staff to fill vacancies, fragile homecare and adult services with high levels of vacancies and the possibility of high cost packages being required off island for example. The potential cost pressure would be over **£2m** and is a high risk but phased over a number of years. This year's financial risk is **£200k** and is rated medium as some of the financial risks are being picked up within the risks above.

13. Glossary of Terms

Accumulated deficit	The cumulative sum of previous year end overspends (offset by any underspends) which must eventually be recovered.
Allied Health Professionals (AHPs)	Physiotherapists, Occupational Therapists, Speech & Language Therapists, Radiographers, Dieticians, Podiatrists, etc.
Annually Managed Expenditure (AME)	Expenditure, mainly provisions and impairments, which is not part of our "core" RRL and which is subject to review twice a year by SGHSCD. Note that when provisions are realised the cost is taken to revenue.
Capital expenditure	Spending on assets which meet given criteria, generally having a life of more than one year and an individual value of £5k or more or a grouped value of £20k or more.
CNORIS	Clinical Negligence and Other Risks Scheme. A risk transfer and financing scheme whereby the cost of losses is shared equitably across NHS boards.
Deferred Income	Allocations received in previous years against future expenditure.
Extra Contractual Referrals (ECR)	Referrals to mainland hospitals or private providers that NHS Western Isles do not have an SLA with. Often very high cost packages of care.
Financial Efficiency Plan (FEP)	A financial plan which identifies how required cash and non cash efficiency targets, both recurrent and non recurrent, will be achieved.
GPS	General Pharmaceutical Services, i.e. drugs prescribed in the community.
National Procurement (NP)	Part of NHS Scotland which advises and supports boards on procurement matters.
Provision	Money set aside to pay for an anticipated future liability.
Revenue expenditure	Spending on day to day operations.
Revenue Resource Limit (RRL)	Total revenue funding allocated to NHS Western Isles by SGHSCD each year.
Service Level Agreement (SLA)	Formal agreement with an external body for delivery of a specified service.
Underlying (recurrent) deficit	Long-term continuing spending not supported by ongoing funding.
UNPACS	Unplanned activities. Services provided by other boards where there is no SLA in place.