



## **CÙRAM IS SLÀINTE NAN EILEAN SIAR**

**WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP**

part of the NHS Scotland

# **Integrated Joint Board - Financial monitoring report for the 3 months to 30<sup>th</sup> June 2022**

## **Introduction**

The financial and workforce monitoring report provides an overview of the Integrated Joint Board's financial position at the end of June 2021. 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
10. NHS Set Aside budgets
11. Financial Efficiency Plan
12. Risks
13. Glossary

## 1. Key Figures and Comments

	Year To Date Month 3			Full Year Projection		
	Budget	Actual	Variance	Budget	Projection	Variance
	Under/(over)			Under/(over)		
	£'000	£'000	£'000	£'000	£'000	£'000
NHS	11,022	11,489	(467)	44,998	46,410	(1,412)
CnES	6,232	8,157	(1,925)	24,929	25,049	(120)
Anticipated pay rise funding (1/2)	-	-	-	-	(285)	285
Covid Reserves	-	-	-	-	(304)	304
Specific Reserves	-	-	-	-	(300)	300
General Reserves	-	-	-	-	(643)	643
<b>Total Integrated Board</b>	<b>17,254</b>	<b>19,646</b>	<b>(2,392)</b>	<b>69,927</b>	<b>69,927</b>	<b>0</b>

### Headlines

- 1.1 At 30<sup>th</sup> June 2021 the Board is showing an overspend of **£2,392k** and a projected breakeven position once budgeted reserves have been applied and residential and other income accruals have been adjusted.
- 1.2 There are a number of areas of concern at month 3 (included within outturn position) and further review is being undertaken to clarify figures, which will be reported on at month 4.
- 1.3 To note the Scottish Government have indicated that they will fund the pay rise for NHS in full (up to the present offer of 5%). Once NHS receive the funding and the back dated cost, these will be incorporated into the budget at nil effect. Negotiations are still taking place for local Authority staff and within in the above the line projections a cost allowance has been made for a 5% pay award. A below line allocation of funds estimate has been assumed with any gap being taken up for this financial year from non-recurring reserves.
- 1.4 The IJB continue to require funding for Covid-19 costs. There is carry forward funding available for Covid-19 from reserves and this will be adequate for the IJB needs for this financial year. Previously NHS Western Isles has received Covid-19 Funding for prescribing which they will not this year, but it is likely that for this year only there will be enough Covid-19 reserves to cover the increased cost, However, this funding is not recurring.

### Month 3 high level variances

- 1.5 There are a number of high level variances (at month relatively low numbers) which are summarised below and detailed in the sections 2 to 10:
  - CnES Residential Care – There is a projected overspend of **£837k**. The overspend can be broken down to the main reasons as follows: to £207k estimated pay award, Goathill £313k, increase relief and sickness £300k. There is expected to be some funding for the pay award shown below the line and reserves are covering Goathill. However, when producing the Goathill budget it was expected the care home would be opened by 1<sup>st</sup> October but delays in building and finishing means it is likely to be the new calendar year. Adjustments will be made the projections over the next few months.

- *Psychiatric Consultants* – NHS Western Isles has a vacant post plus problems filling an on-call rota without calling on agency staff. The cost of using agency staff not only for the 40 hours day rota but for the 24/7 rota have been crippling with rates of pay upwards of £140 per hour plus VAT. This is unsustainable and the Board is looking at completing the previous Mental Health Transformation and whether we need consultants to provide 24/7 cover. The projected overspend is **£502k**.
- *GP OOH* – There is an identified pressure of **£476k** in the Boards OOH service for both managing the community hospital in Barra and for the GP OOH service in Barra and the Uist. An option paper has been drawn up and we are hoping to put in place a cost neutral solution if recruitment is possible. Recruitment has been difficult, and the Board has had to use locum GP at a sizable cost. Compounding the increased cost of GP locums in the Uists is the use of high cost B&B / Air B&B as NHS Western Isles have not been able yet to secure long term leases as in the other Islands. The cost of accommodation is equating to  $\frac{3}{4}$  of the cost of a substantive post and is unsustainable.
- Community Hospitals – There is a projected overspend of **£143k** due to the use of agency staff and bank to cover vacancies and sickness.
- There is a projected underspend of **£413k** in the homecare services. This is mostly due to the level of vacancies held, net underspend of **£1,259k**, offset by expected pay award **£168k**, projected agency costs of **£670k**.
- There is a projected underspend of **£173k** in adult care and support services, this is due to vacancies.

#### Efficiency Savings

- 1.6 The Integrated Joint Board's cash efficiency target is £3,839k; this is the IJB required efficiency savings.
- 1.7 It is estimated that the IJB has already achieved savings of £775k, against the Financial Efficiency Plan (FEP) and at month 3, the Board is forecasting to achieve £3,566k of these savings. Some of the high risk savings may not achieve but there are at present other areas that will save beyond their target to compensate.

#### Workforce

- 1.8 Detailed analysis has been undertaken on IJB workforce issues described in chapter 12. A summary RAG status of the main areas of concern is shown overleaf, to note Primary Care Investment Fund staff are shown in clinical admin.

## 2. Income and Expenditure Summary

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

Income & Expenditure at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
<b>Expenditure</b>						
Chief Officer - Management	380	2,529	(2,149)	3,413	3,265	149
Adult Social Services	6,222	5,979	243	24,888	25,155	(268)
Allied Health Professionals	674	632	42	2,694	2,409	285
Community Nursing and Hospital	1,753	1,734	19	7,006	7,079	(73)
Community Care	467	44	423	1,869	1,869	0
Head of Dental Services	823	741	82	2,967	2,923	44
Head of Mental Health Services	747	975	(228)	2,984	3,549	(565)
Associate Medical Director	4,292	4,872	(580)	16,375	17,157	(782)
Alcohol and Drugs Partnership	134	110	24	679	679	0
Acute Set Aside	1,839	2,107	(268)	7,358	7,680	(322)
Anticipated pay rise funding (1/2)	0	0	0	0	(285)	285
Covid Reserves	0	0	0	0	(304)	304
Specific Reserves	0	0	0	0	(300)	300
General Reserves	0	0	0	0	(643)	643
<b>Total Net Cost</b>	<b>17,331</b>	<b>19,723</b>	<b>(2,392)</b>	<b>70,233</b>	<b>70,233</b>	<b>0</b>

2.1 The above table shows the IJB's overall spending position at the end of Month 3 analysed by Service. Subsequent sections give more detail on each of the lines shown above.

## 3. Chief Officer Management

Chief Officer - Management at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Community Management	275	253	22	1,102	1,100	2
Community Admin	18	21	(3)	73	74	(1)
Integration Funds	0	0	0	1,891	1,891	0
CnES Management and Admin	10	2,178	(2,168)	41	(106)	148
Housing Services	77	77	0	306	306	0
<b>Surplus/ (Deficit)</b>	<b>380</b>	<b>2,529</b>	<b>(2,149)</b>	<b>3,413</b>	<b>3,265</b>	<b>149</b>

3.1 The above table shows the spending position on the Chief Officer's management budgets.

- 3.2 The overspend against CnES Management and Admin is due to the drawn down reserves for the NHS partners budget and reserves yet to be transferred in to cover. The reserve adjustment will take place at the year end.

#### 4. Adult Social Services

Adult Social Care at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Care and Support Services	852	1,059	(207)	3,408	3,235	174
Adult Care Transport	33	24	9	132	162	(30)
Assessment and Care Services	354	518	(164)	1,415	1,402	13
Care and Repair	77	77	0	306	306	0
CnES Home Care	1,551	1,026	525	6,205	5,792	413
CnES Residential Care	1,338	1,633	(295)	5,351	6,188	(837)
Commissioning and Partnership Services	797	542	255	3,188	3,188	(0)
Criminal Justice	68	81	(13)	271	270	1
Independent Care Homes	504	759	(255)	2,014	2,014	0
Mainland Placements	650	262	388	2,598	2,598	0
<b>Surplus/ (Deficit)</b>	<b>6,222</b>	<b>5,979</b>	<b>243</b>	<b>24,888</b>	<b>25,155</b>	<b>(268)</b>

- 4.1 The above table shows the spending position of Adult Social Care. There is an in year underspend of **£243k** and a projected overspend of **£268k**.
- 4.2 CnES Residential Care – There is a projected overspend of **£837k**. The overspend can be broken down to the main reasons as follows: to £207k estimated pay award, Goathill £313k, increase relief and sickness £300k. There is expected to be some funding for the pay award shown below the line and reserves are covering Goathill. However, when producing the Goathill budget it was expected the care home would be opened by 1st October but delays in building and finishing means it is likely to be the new calendar year. Adjustments will be made the projections over the next few months.
- 4.3 There is a projected underspend of **£413k** in the homecare services. This is mostly due to the level of vacancies held, net underspend of £1,259k, offset by expected pay award £168k, projected agency costs of £670k.
- 4.4 There is a projected underspend of **£173k** in adult care and support services, this is due to vacancies.

## 5. Allied Health Professionals

Allied Health Professionals at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Podiatry	130	104	26	520	415	105
Dietetics	111	99	12	443	443	0
Occupational Therapy	182	188	(6)	727	651	76
Physiotherapy	251	241	10	1,004	900	104
<b>Surplus/ (Deficit)</b>	<b>674</b>	<b>632</b>	<b>42</b>	<b>2,694</b>	<b>2,409</b>	<b>285</b>

- 5.1 The above table shows the spending position on the Allied Health Professionals budgets. There is a **£42k** projected underspend in year and a projected **£285k** underspend at the year end. The underspends are due to hard to fill posts.

## 6. Community Nursing including Community Hospitals

Community Nursing and Hospital at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Nursing	1,149	1,054	95	4,590	4,520	70
Community Hospitals	604	680	(76)	2,416	2,559	(143)
<b>Surplus/ (Deficit)</b>	<b>1,753</b>	<b>1,734</b>	<b>19</b>	<b>7,006</b>	<b>7,079</b>	<b>(73)</b>

- 6.1 Community Hospitals – There is a projected overspend of **£143k** due to the use of agency staff and bank to cover vacancies and sickness.

## 7. Community Care

Community Care at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Care	467	44	423	1,869	1,869	0
<b>Surplus/ (Deficit)</b>	<b>467</b>	<b>44</b>	<b>423</b>	<b>1,869</b>	<b>1,869</b>	<b>0</b>

- 7.1 The above table shows the spending position on the Community Care budget. There are no major variances projected at the year end. In year underspend is due to awaiting invoicing.

## 8. Head of Dental Services

Head of Dental Services at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Community Dental inc. Oral Health	134	104	30	211	149	62
General Dental Services	689	637	52	2,756	2,774	(18)
<b>Surplus/ (Deficit)</b>	<b>823</b>	<b>741</b>	<b>82</b>	<b>2,967</b>	<b>2,923</b>	<b>44</b>

8.1 The above table shows the spending position on the Dental Budget. There are no major variances projected at the year end.

## 9. Head of Mental Health Services

Head of Mental Health Services at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Mental Health Management	152	198	(46)	608	611	(3)
Mental Health Consultants	133	325	(192)	531	1,033	(502)
Mental Health Nursing	462	452	10	1,845	1,905	(60)
<b>Surplus/ (Deficit)</b>	<b>747</b>	<b>975</b>	<b>(228)</b>	<b>2,984</b>	<b>3,549</b>	<b>(565)</b>

9.1 The above table shows the spending position on the Head of Mental Health budgets.

9.2 Psychiatric Consultants – NHS Western Isles has a vacant post plus problems filling an on-call rota without calling on agency staff. The cost of using agency staff not only for the 40 hours day rota but for the 24/7 rota have been crippling with rates of pay upwards of £140 per hour plus VAT. This is unsustainable and the Board is looking at completing the previous Mental Health Transformation and whether we need consultants to provide 24/7 cover. The projected overspend is **£502k**

## 10. Associate Medical Director

Associate Medical Director at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Community Medical	52	52	0	206	206	0
GMS	1,912	1,858	54	7,379	7,381	(2)
GPS - Prescribing	1,421	1,972	(551)	5,687	5,991	(304)
FHS	657	657	0	2,104	2,104	0
Out of Hours	250	333	(83)	999	1,475	(476)
<b>Surplus/ (Deficit)</b>	<b>4,292</b>	<b>4,872</b>	<b>(580)</b>	<b>16,375</b>	<b>17,157</b>	<b>(782)</b>

- 10.1 The above table shows the spending position on the Associate Medical Director budget.
- 10.2 Previously NHS Western Isles has received Covid-19 Funding for prescribing which they will not this year, but it is likely that for this year only there will be enough Covid-19 reserves to cover the increased cost, However, this funding is not recurring. The funding has been shown below the line until the prescribing costs have been reviewed.
- 10.3. GP OOH – There is an identified pressure of **£476k** in the Boards OOH service for both managing the community hospital in Barra and for the GP OOH service in Barra and the Uist. An option paper has been drawn up and we are hoping to put in place a cost neutral solution if recruitment is possible. Recruitment has been difficult, and the Board has had to use locum GP at a sizable cost. Compounding the increased cost of GP locums in the Uists is the use of high-cost B&B/Air B&B as NHS Western Isles have not been able yet to secure long term leases as in the other Islands. The cost of accommodation is equating to  $\frac{3}{4}$  of the cost of a substantive post and is unsustainable.

## 11. Alcohol and Drugs Partnership

Alcohol & Drugs Partnership at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Alcohol and Drugs Partnership	134	110	24	679	679	0
<b>Surplus/ (Deficit)</b>	<b>134</b>	<b>110</b>	<b>24</b>	<b>679</b>	<b>679</b>	<b>0</b>

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



## 12. NHS Set Aside

Set Aside at Month 3	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Acute Nursing	1,070	1,132	(62)	4,279	4,412	(133)
SLA - General Medicine	154	154	0	617	617	0
General Medical Consultants	333	476	(143)	1,334	1,453	(119)
Pharmacy	112	175	(63)	449	519	(70)
ECR - Adult Mental Health	170	170	0	679	679	0
<b>Surplus/ (Deficit)</b>	<b>1,839</b>	<b>2,107</b>	<b>(268)</b>	<b>7,358</b>	<b>7,680</b>	<b>(322)</b>

- 12.1 The above table shows the spending position on the NHS Set Aside budget. The set aside budget is showing an in year overspend of **£268k** and a projected overspend of **£322k**.
- 12.2 There are emerging pressures on the Acute Nursing budget with high bank covering contingency beds in the medical wards.
- 12.2 High-Cost agency staff have been used to provide cover in the first 3 months of the year but the projection is assuming a reduction in these staff as posts stabilise.

## 13. Financial Efficiency Plan

- 13.1 To balance the IJB budget and afford Goathill not only did the Partners have to make savings but previous earmarked reserves and the full cost of the old care units were included to bridge the gap. The table below shows the savings excluding use of reserves.

Category	Budget £'000	YTD Bud £'000	Actual £'000	Projection £'000	Variance £'000	Risk
NHS Vacancies	476	277	277	476	-	L
IJB Staff Travel	26	7	7	26	-	M
Dental Efficiencies	70	18	18	70	-	L
Financial Flexibilites	561	140	140	561	-	L
CNES Vacancies	500	125	125	500	-	L
Care Units	281	70	70	281	-	L
<b>Total</b>	<b>1,914</b>	<b>636</b>	<b>636</b>	<b>1,914</b>	<b>-</b>	

## 14. 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.