



CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

Partnership for the Western Isles

Integrated Joint Board - Financial Briefing note for the 9 months to 31st December 2022

1. Key Figures and Comments

	Year To Date Month 9			Full Year Projection		
	Budget	Actual	Variance	Budget	Projection	Variance
	Under/(over)			Under/(over)		
	£'000	£'000	£'000	£'000	£'000	£'000
NHS	32,393	34,160	(1,767)	45,174	47,553	(2,378)
CnES	19,322	22,262	(2,940)	25,763	26,069	(305)
Transfer of Reserves assumed in Projection	0	2,800	2,800	-	-	-
Specific NHS Reserves inc. Covid	-	-	-	-	(2,026)	2,026
General Reserves	-	-	-	-	(657)	657
Total Integrated Board	51,715	59,222	(1,907)	70,937	70,939	(0)

Headlines

- 1.1 At 31st December 2022 the Board is showing an overspend of **£1,907k** and a projected breakeven position once budgeted reserves including Covid monies have been applied and residential and other income accruals have been adjusted.
- 1.2 There are a number of assumptions that have had to be made when producing the month 9 accounts. These are as follows:
- NHS Pay award will be fully funded and passed on to IJB;
 - Local Authority will receive part funding for the pay award which Social Care will receive their share, confirmed;
 - For this financial year any shortfall relating to the LA pay award will come from general reserves;
 - Health and Social Care Partnership will be fully funded for Covid up to the agreed level of reserves;
 - All recurring allocations due to NHS Western Isles relating to Health and Social Care Partnership will be received in full, still awaiting key allocations as of 21 January 2023; and
 - Assumption about winter inflations including heating will remain high.
- 1.3 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 other increased cost, however, this funding is not recurring. The funds will be allocated to areas of Covid spend in February once adjusted allocations are received from Scottish Government.

Month 9 high level variances

1.4 There are a number of high- level variances which are summarised below and detailed in the sections 2 to 10:

- *CnES Residential Care* – There is a projected overspend of **£353k**. The overspend can be broken down and the main reasons as follows:
 - **£260k** estimated pay award,
 - increase relief and sickness **£250k**,
 - utility costs **£130k** (of this £86k is fuel oil)
 - less **£350k** Covid Funding.
 - There has been a reduction in overspend of £260k from month 6 as Goathill will not be operative until the new financial year.
- *Homecare* – There is a projected underspend of **£392k**. The overspend can be broken down and the main reasons as follows:
 - **£1,266k** underspend on pay award less cost of agency **£874k**.
- *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 ways of reducing costs and whether we need consultants to provide 24/7 cover. The projected overspend is **£710k**.
- *GP OOH* – There is an identified pressure of **£534k** in the Boards OOH service for both managing the community hospital in Barra and for the GP OOH service in Barra and the Uist. As Castlebay Practice is now a 2c practice, i.e. run by health board (all other practices are private businesses), the Board will be looking to employ substantive post holders to provide the full service to the patients in Barra. A present to ensure there is no detriment to services in Barra and Uist GP locums are employed.
- *Community Hospitals* – There is a projected overspend of **£253k** at the Uist and Barra Hospital due to the use of agency staff and bank to cover vacancies, sickness and Covid related absences. Covid monies will be transferred at year end.
- *Medical Consultants* – It has been necessary to cover vacant posts and annual leave with high-cost agency staff both in Medical Consultants and specialist Doctors. There is an assumption that use of agency will drop in the 2nd half of the year, but this service is a risk of further overspending. Current yearend projection is **£546k** overspend.

- *Prescribing* – Prescribing is overspent **£420k**, in the last 2 years previously the majority of overspend was offset by Covid funding, specifically for the replacement drug for Warfarin. There has been less Covid funding available this year though some adjustments will be made once funding is confirmed.

2. Financial Efficiency Plan

- 2.1 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.

Summary	Plan £'000	M9 Target £'000	Actual £'000	Projection £'000	Variance £'000	Risk
NHS Vacancies	476	357	357	476	-	L
IJB NHS Staff Travel	26	20	20	26	-	L
Dental Efficiencies	70	53	53	70	-	L
Financial Flexibilities	256	192	256	256	-	L
CNES Vacancies	500	375	375	500	-	L
Care Units	281	211	211	281	-	L
Total	1,609	1,207	1,271	1,609	-	

3. Risks

- 3.1 There are a number of financial risks that could affect the projection as follow:
- Increased use of high-cost agency within the consultant and GP cohort **High £150k**;
 - High use of prescription drugs over the winter period **Medium £200k**;
 - Pressures due to Covid Outbreaks both in Care homes and Hospitals cannot be contained within the funding envelope **Medium £250k**; and
 - High levels of Flu together with respiratory illnesses and delayed discharges could result in increased bank which cannot be charged to Covid. **High £200k.**

END

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Integration Joint Board

January 2023