

CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

INTEGRATION JOINT BOARD AUDIT COMMITTEE

Integration Joint Board Audit Committee 23/02/2017

Agenda Item:

Purpose: For Noting and Assurance

Chief Finance Officer's Assurance Statement – Month 9

PURPOSE OF REPORT

- To note and be assured of the financial position of the Integrated Joint Board at Month 9

COMPETENCE

- The Chief Finance Officer of the Integrated Joint Board (IJB) is required to produce regular in-year reporting and forecasting for scrutiny and review by the IJB .

SUMMARY

3. Key Figures and Comments

Overall Position 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
Revenue						
NHS Partner	26,872	27,128	(256)	37,675	38,087	(411)
Comhairle	13,755	14,273	(518)	18,897	18,796	101
Surplus/ (Deficit)	40,627	41,401	(774)	56,572	56,883	(310)

Variations

3.1 This report reflects the spend to date and explains any variances which have arisen in the first nine months of the year which are likely to have an impact on our year end outturn.

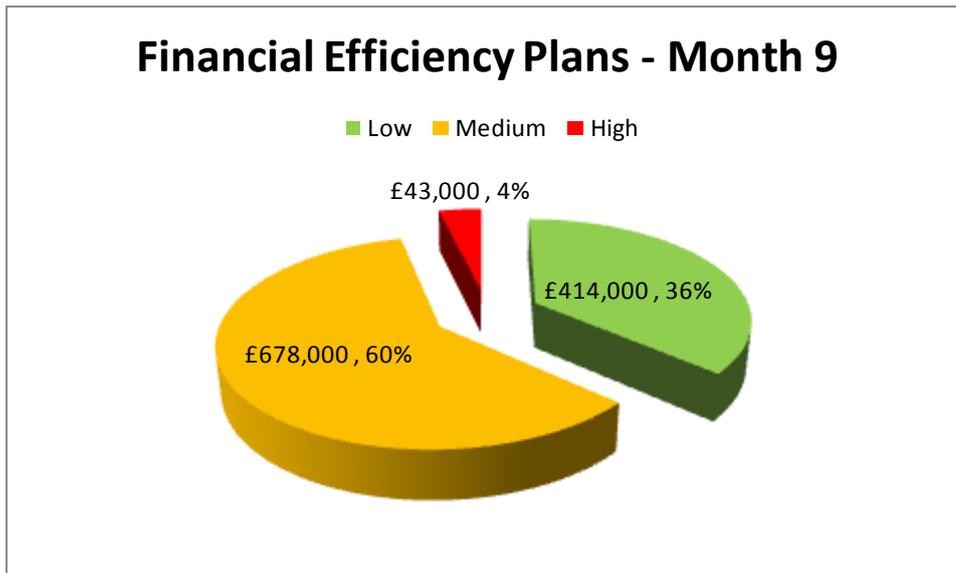
3.2 At 31st December 2016 the Board is showing an overspend of £774k and a projected year end **overspend of £310k** compared to month 7 outturn position of an underspend of £102k. The main areas of concern are as follows:

- There is an in year overspend of £105k on acute nursing (within the acute set aside) and a projected **overspend of £118k**. High bed occupancy and delayed discharges are impacting on the wards' ability to manage within establishment where there are high levels of sickness or maternity leave.
- There is still a large overspend in year against residential income. This is due to the reversal of the accruals set up at the yearend relating to un-invoiced income for residents receiving services. The accrual has been reversed but not all back dated invoices have been raised or a debt provision raised for long term debt. The review of residential client charges has indicated that the income due is not as high as the previous year due to last year's income accrual having back payments for previous years included and that there will also be a level of time barred debt/income. The projection of income therefore has been estimated at 80% retrieval rate to take onboard these assumptions. These assumptions therefore result in projected overspend against residential of £174k an increase of £117k from month 7.
- A review of OOHs cost pressures has shown that the service is likely to **overspend by £110k** by year end. The overspend is due to an increased superannuation bill and an increase in weekend service provision in the Uists.
- Adult mental health placements (NHS Partner) is overspent by £153k in year and is projected to **overspend by £226k** at year end. This is due to 3 long term acute placements, 2 in a low secure unit at a private facility and 1 in New Craigs but with a higher package of care than is normally required for NHS Western Isles patients.

Efficiency Savings

3.3 The Integrated Joint Board's cash efficiency target is £1,135k, this is the NHS partners required efficiency savings including the Comhairle's workforce planning savings.

3.4 It is estimated that the IJB has already achieved savings of £884k, against the Financial Efficiency Plan (FEP) of £1,135k and at month 9 the Board is forecasting to achieve £1,180k of these savings by the yearend. The risk ratings of the plan at month 9 is summarised below and detailed at paragraph 10.



Forecast Out turn

- 3.5 The Board at month 9 is forecasting a **£310k overspend** at year end (£110k underspend at month 7). The acute overspend at present could be contained within the NHS Partner's limited budgeted contingency but work is also underway to try and mitigate the overspend on the acute side of the IJB, assessing how we can reduce the overspends due to continued use of contingency beds. If the overspend increases there is a risk that the IJB may not breakeven.
- 3.6 At month 9 the main service risks which could potentially increase the overspend is as follows:
- Increase in acute adult mental health referrals in the last 3 months,
 - Higher than average GP Prescribing through the winter months (projection is based on seasonal average but a very bad winter can affect the prescriptions issued).
 - Increase in bank use above projection due to further delayed discharges or high sickness in the medical wards.

Integration Joint Board Audit Committee 23.02.17

Agenda Item 5.5

Purpose: For Assurance