



CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

Integrated Joint Board - Financial Monitoring report for the 6 months to 30th September 2021

Introduction

The financial and workforce monitoring report provides an overview of the Integrated Joint Board's financial position at the end of September 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 6			Full Year Projection		
	Budget	Actual	Variance	Budget	Projection	Variance
	Under/(over)			Under/(over)		
	£'000	£'000	£'000	£'000	£'000	£'000
NHS	21,408	21,261	147	44,704	45,394	(690)
NHS Pay Award not yet allocated	0	0	0	0	(30)	30
Anticipated Winter Pressure Monies	0	0	0	0	(300)	300
CnES	10,653	9,935	718	21,246	22,243	(997)
General Reserves	0	0	0	0	(991)	991
Earmarked Reserves	0	0	0	0	(366)	366
	32,061	31,196	865	65,950	65,950	0

Headlines

- 1.1 At 30th September 2021 the Board is showing an underspend of **£718k** 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 6 (included within outturn position) regarding Covid and Winter Surge Pressures. After NHs Western Isles submitted Covid figures and Winter Surge Pressures costs at Q2 a meeting with the Scottish Government confirmed that relevant Covid and Winter surge pressure costs will be met.
- 1.3 The IJB workforce continues to be under great pressures with high vacancies, high levels of retirements due in the next two years, high percentage of over 55 within the workforce and increased levels of sickness. A summary RAG status is shown at paragraph 1.8.

Month 6 high level variances

- 1.5 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 **£331k**. The overspend relates on the whole to the use of relief workers due to high sickness levels.
 - Community Hospitals – There is a projected overspend of **£182k** due to the use of agency staff and bank to cover vacancies and sickness. The staffing costs will be reviewed to ensure there are no vaccination costs that need to be transferred to COVID funds
 - There is an identified gross pressure of **£283k** in the Boards OOH service for both managing a community hospital OOH and for the normal GP service. An option paper has been drawn up and we are hoping to put in place a cost neutral solution if recruitment is possible. The projected overspend has assumed the solution will be in place by December 2021 and that earmarked IJB reserves will be available to offset the overspend by £200k. If there are delays this overspend may increase. This is an area where the Board has to pay for high cost GP locums for the service.

- There is a projected underspend of **£77k** in the homecare services. This is mostly due to the level of vacancies held, net underspend of £430k, offset by projected agency costs of £337k (this could increase further depending on winter pressures – offset by Covid funding c/f). The budget already assumed a £250k saving from vacancies so the underspend in staffing is actually £680k, less the agency cost
- The Board is starting to see pressure in prescribing, we have assumed some of the increased costs are due to the pandemic and will be funded.

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 £1,178k, against the Financial Efficiency Plan (FEP) and at month 6 the Board is forecasting to achieve £3,839k 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 was undertaken on IJB workforce issues at Quarter 1 and detailed in the Month 4 report. There will be a separate workforce report in due cause, dealing with the high level of vacancies and the likelihood of recruitment into existing vacancies and new posts for Goathill and winter planning funding. At month 9 there will be a further detailed workforce report looking at vacancies, age of workforce and sickness across the IJB.
- 1.9 Looking at the population and demographics of the Island, this is not a task simply for the IJB partners but all stakeholders on the Islands and the Scottish Government and can build on work already being undertaken by the Community Planning Partnerships (CPP). There will be some Government funding (Bond of £50,000 for 100 families) due to be available shortly to help with Scottish Island depopulation but it is not just about bringing people up to live here but bringing onto the island families of working age and keeping these people and their young children on the island to provide a sustainable workforce and community for the future. Previously CPP identified we need 1,000 working age families to inward migrate. The table below is a summary RAG status of our workforce.

Short Term Risk 1-3 years	Vacancies	Age	Retiral	Sickness
Medical Staffing	H	H	L	L
Allied Health Professionals	H	M	L	L
Dental	M	M	L	M
Hospital (Acute) Nursing	H	M	H	H
Community Hospital Nursing	H	H	M	H
Community Nursing	H	H	M	L
Mental Health Nursing	H	M	L	H
Clinical Admin	H	H	L	L
Adult Services	H	H	M	H
Residential Services	H	H	H	H
Home Care & Reablement	H	H	H	H
Criminal Justice	H	M	L	L
Strategic Commissioning & PS	M	L	L	L
Assessment and Care Services	H	M	L	M
Management and Admin	H	L	L	L

- 1.10 To note the age column is recognising staff over 55 however, the retiral for the short term will be looking at 63+ age group. You can therefore have a higher risk relating to 55+ but a medium short term retiral age as more of the staff are in the 55-60 age range.

2. Income and Expenditure Summary

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

Income & Expenditure at Month 6	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Expenditure						
Chief Officer - Management	60	854	(795)	354	1,617	(1,263)
Head of Locality Services	10,775	9,582	1,193	20,944	21,049	(105)
Head of Partnership Services	6,139	5,638	500	14,170	13,786	384
Head of Dental Services	1,649	1,425	224	2,833	2,801	32
Head of Mental Health Services	1,574	1,558	16	3,187	3,350	(163)
Associate Medical Director	7,768	8,040	(272)	16,395	16,478	(83)
Alcohol and Drugs Partnership	311	344	(33)	666	666	0
Acute Set Aside	3,786	3,755	31	7,401	7,890	(489)
NHS Pay Award not yet allocated	0	0	0	0	(30)	30
Anticipated Winter Pressure Monies	0	0	0	0	(300)	300
General Reserves	0	0	0	0	(991)	991
Earmarked Reserves	0	0	0	0	(366)	366
Total Net Cost	32,061	31,196	865	65,950	65,950	0

2.1 The above table shows the IJB's overall spending position at the end of Month 6 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 6	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Community Management	552	502	50	843	858	(15)
Community Admin	55	46	9	86	79	7
CnES Management and Admin	(700)	153	(854)	(881)	374	(1,255)
Housing Services	153	153	0	306	306	0
Surplus/ (Deficit)	60	854	(795)	354	1,617	(1,263)

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 non-drawn down of budgeted reserves within the CnES partners budget and yearend accruals reversed but income not yet received. The income will be received by month end and reserve adjustment will take place at year end.

4. Head of Locality Services

Head of Locality Services at Month 6	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Community Nursing	2,194	1,986	208	4,392	4,187	205
Community Hospitals	1,225	1,355	(130)	2,422	2,604	(182)
CnES Residential Care	2,559	2,571	(12)	5,115	5,446	(331)
Adult Care and Support Services	1,744	1,213	531	3,036	2,910	126
CnES Home Care	2,981	2,406	574	5,833	5,757	77
Adult Care Transport	73	50	23	145	145	0
Community Care	0	0	0	0	0	0
Surplus/ (Deficit)	10,775	9,582	1,193	20,944	21,049	(105)

- 4.1 The above table shows the spending position on the Head of Locality's budgets. There is an in year underspend of **£1,193k** and a projected overspend of **£105k**.
- 4.2 There is a projected underspend of **£77k** in the homecare services. This is mostly due to the level of vacancies held, net underspend of £430k, offset by projected agency costs of £337k (this could increase further depending on winter pressures – offset by Covid funding c/f). The budget already assumed a £250k saving from vacancies so the underspend in staffing is actually £680k, less the agency cost.
- 4.3 CnES Residential Care has a projected overspend of **£331k**. The overspend relates on the whole to the use of relief workers due to high sickness levels (sustained 10% for the first 6 months).
- 4.4 Community Nursing is projected to underspend **£205k** due to qualified vacancies at present in the nursing and specialist nursing team. We expect some vacancies to be filled in year.
- 4.5 There is a projected overspend of **£182k** due to the use of agency staff and bank to cover vacancies and sickness within community hospitals. The staffing costs will be reviewed to ensure there are no vaccination costs that need to be transferred to Covid-19.
- 4.6 There is a projected underspend of **£126k** in Adult Care and Support Services due to higher than expected vacancies.

5. Head of Partnership Services

Head of Partnership Services at Month 6	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Podiatry	268	245	23	536	520	16
Dietetics	173	175	(2)	345	345	0
Occupational Therapy	378	367	11	756	787	(31)
Physiotherapy	516	497	19	1,032	1,019	13
Community Care	959	966	(7)	1,919	1,919	0
Integration Funds	0	0	0	1,891	1,891	0
Criminal Justice	125	86	39	250	177	73
Assessment and Care Services	651	434	216	1,306	1,220	86
Commissioning and Partners	2,004	2,069	(65)	4,005	3,778	227
Adult Mainland Placements	1,065	800	265	2,129	2,129	0
Surplus/ (Deficit)	6,139	5,638	500	14,170	13,786	384

- 5.1 The above table shows the spending position on the Head of Partnership's budgets. There is a **£500k** projected underspend in year and a projected **£384k** underspend at year end. There is not major variances projected at yearend.
- 5.2 The variance of Commissioning and Partners is in part to higher vacancies than expected, this will be reviewed by quarter 3 as there has been an increase in the underspend from month 4

6. Head of Dental Services

Head of Dental Services at Month 6	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	280	211	69	233	197	36
General Dental Services	1,369	1,214	155	2,600	2,604	(4)
Surplus/ (Deficit)	1,649	1,425	224	2,833	2,801	32

- 6.1 The above table shows the spending on the Dental Service which is projecting a small underspend at year end as more services come on stream.

7. Head of Mental Health Services

Head of Mental Health Services at Month 6	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	334	296	38	703	611	92
Mental Health Consultants	260	326	(66)	521	832	(311)
Mental Health Nursing	980	936	44	1,963	1,907	56
Surplus/ (Deficit)	1,574	1,558	16	3,187	3,350	(163)

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

7.2 There is a projected overspend of **£311k** relating to the employment of a high cost psychiatrist working a one in two rota and sickness within the department being covered by a 2nd locum. This is partially offset by underspends in other areas of mental health mostly due to vacant posts.

8. Associate Medical Director

Associate Medical Director at Month 6	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Medical	103	103	0	253	253	0
GMS	3,527	3,519	8	7,382	7,381	1
GPS - Prescribing	2,757	2,905	(148)	5,685	5,685	0
FHS	1,052	1,047	5	2,104	2,104	0
Out of Hours	329	466	(137)	971	1,055	(84)
Surplus/ (Deficit)	7,768	8,040	(272)	16,395	16,478	(83)

8.1 The above table shows the spending position on the Associate Medical Director budget.

8.2 There is an identified gross pressure of **£283k** in the Boards OOH service for both managing a community hospital OOH and for the normal GP service. An option paper has been drawn up and we are hoping to put in place a cost neutral solution if recruitment is possible. The projected overspend has assumed the solution will be in place by December 2021 and that earmarked IJB reserves will be available to offset the overspend by £200k. If there are delays this overspend may increase. This is an area where the Board has to pay for high cost GP locums for the service.

- 8.3 The Board is starting to see pressure in prescribing, we have assumed some of the increased costs are due to the pandemic and will be funded.

9. Alcohol and Drugs Partnership

Alcohol & Drugs Partnership at Month 6	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	311	344	(33)	666	666	0
Surplus/ (Deficit)	311	344	(33)	666	666	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 6	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Acute Nursing	2,245	2,242	3	4,519	4,602	(83)
SLA - General Medicine	309	309	0	617	617	0
General Medical Consultants	602	629	(27)	1,204	1,610	(406)
Pharmacy	199	165	34	398	398	0
ECR - Adult Mental Health	431	410	21	663	663	0
Surplus/ (Deficit)	3786	3,755	31	7,401	7,890	(489)

- 10.1 The above table shows the spending position on the NHS Set Aside budget. The set aside budget is showing an in year underspend of **£31k** and a projected overspend of **£489k**. The majority of pressures within the acute nursing and General Medical Consultants is due to winter surge pressures. NHS Western Isles have recently been informed that it can claim back winter surge pressures on our mobilisation plans. The assumption is at least £300k if not more will be claimed back, this is shown at table at paragraph 2.

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 6 the Board has achieved £1,178k and the Board is projected to achieve £3,839k of the identified cash savings.

Integration Joint Board 16.12.21

Agenda Item: 5.2

Purpose: For Assurance

Ref.	Proposal	R/NR	Saving 21/22	M6 Target	M6 Actual	Projection	Variance	Financial Risk
CNES1	Optimisation of care input (digital medication prompts, safety checks, asset based assessment)	R	150	75	-	75	-75	H
CNES2	Maximise income through charging for residential and non-residential care on basis of full cost recovery (report to go to committee for approval)	R	200	-	-	0	-200	H
CNES3	Introduce fleet cars for higher mileage home care workers	R	30	15	-	0	-30	H
CNES8	Review of residential skills mix	R	30	15	-	0	-30	H
CNES10	Review of adult care skills mix	R	30	15	-	0	-30	H
CNES7	Review of H&SC Facilities i.e. Laundry, Catering	R	50	25	-	0	-50	H
CNES13	Review of Administration	R	50	25	-	-	-50	H
CNES9	Review of High Cost Packages	R	50	25	25	50	0	M
CNES12	Reduce the frequency and cost of off-island placements for mental health and social care patients/service users	R	100	50	50	100	0	M
NHS2	Dental Efficiencies due to reduced service - filling of vacancies with agency Dentists is not required	NR	200	100	100	150	-50	M
CNES6	Divest interest in Dun Berisay flats	R	17	8	8	9	-8	M
CNES4	Review of IT input	R	10	5	5	10	0	L

Integration Joint Board 16.12.21

Agenda Item: 5.2

Purpose: For Assurance

Ref.	Proposal	R/NR	Saving 21/22	M6 Target	M6 Actual	Projection	Variance	Financial Risk
CNES5	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. Vacancy savings will not be targeted against specific posts and	NR	500	250	425	850	350	L
CNES11	Rural Care Units - assumption staffing will not be required for Goathill 21/22, Garrabost committed to Goathill project, Crowlista and Carloway not committed	NR	432	216	432	432	0	L
CNES14	General Reserves	NR	1,094	-	-	1,096	2	L
NHS1	Childsmile Efficiencies	NR	70	35	35	70	0	L
NHS 3	HV - 1.75 WTE for 3 months	NR	25	13	25	25	0	L
NHS4	Dementia Nurse Consultant - 3 Months	NR	22	11	15	44	22	L
NHS5	AHP Lead - 1 year	NR	32	16	16	32	0	L
NHS6	Dental Receptionist - 6 months	NR	20	10	10	20	0	L
NHS5	Balance Sheet Flexibility - release of monies no longer required in balance sheet	NR	428	-	-	428	0	L
NHS6	Financial Flexibility - expect underspens/in year vacancies etc	NR	127	64	32	276	149	L
NHS7	General Reserves	NR	172	-	-	172	0	L
	Total		3,839	972	1,178	3,839	1	
<p>NHS budgets already have a 3% vacancy factor built in = approx the CNES £500k NR saving</p>								

13. Financial Risks

There are many potential operational and strategic financial risks faced in achieving the financial plan for 2021/2022 presented here.

Operational

- Assumption within figures is that the Board will get fully funded for Covid-19 pressures and there will be Winter Surge funding for NHS Western Isles which in part will feed into the IJB accounts
- The Board at the start of Covid were able to clear delayed discharges, these are now at a high level. The IJB have received funding for winter pressures but as it requires recruitment into our already stretched local job market it is unclear whether we will reduce delays significantly. The financial risk is **£250k** 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 2021/2022 is **£200k** and is rated as high.
- Consultant workforce has de-stabilised due to a number of issues including diminishing availability, with low substantive post holders in general medicine, psychiatry and 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 **£283k** 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 October 2021.
- There are increasing numbers vulnerable placements within Health and Social Care that are at risk of requiring intervention. The potential impact is **£200k** 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, **£350k** 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 **£500k** and is rated high.

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.