



## CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

# Integrated Joint Board - Financial monitoring report for the 8 months to 30 November 2017

## Introduction

The financial monitoring report provides an overview of the Integrated Joint Board's financial position at the end of November 2017. It contains the following sections:

1. Key Figures and Comments
2. Income and Expenditure
3. IJB Management and Administrative 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

| Overall Position<br>at Month 8 | Year to Date  |               |                              | Full Year Projection |               |                              | Month 7<br>Variance | Change       |
|--------------------------------|---------------|---------------|------------------------------|----------------------|---------------|------------------------------|---------------------|--------------|
|                                | Budget        | Actual        | Variance<br>under/<br>(over) | Budget               | Actual        | Variance<br>under/<br>(over) |                     |              |
|                                | £'000         | £'000         | £'000                        | £'000                | £'000         | £'000                        | £'000               | £'000        |
| <b>Revenue</b>                 |               |               |                              |                      |               |                              |                     |              |
| NHS Partner                    | 23,938        | 24,518        | (580)                        | 38,840               | 39,831        | (991)                        | (923)               | (68)         |
| Comhairle                      | 12,480        | 13,258        | (778)                        | 19,357               | 18,381        | 976                          | 1,155               | (179)        |
| <b>Surplus/ (Deficit)</b>      | <b>36,418</b> | <b>37,776</b> | <b>(1,358)</b>               | <b>58,197</b>        | <b>58,212</b> | <b>(15)</b>                  | <b>232</b>          | <b>(247)</b> |

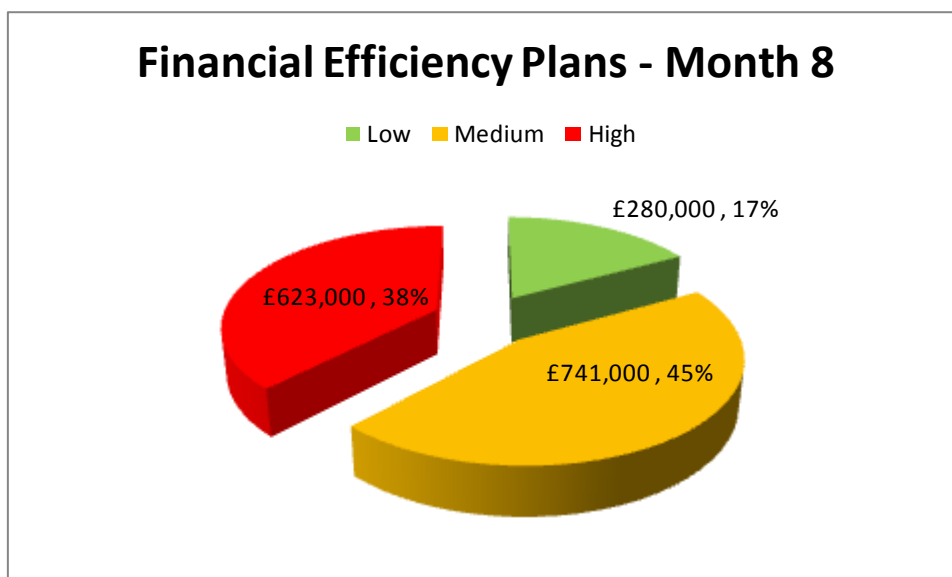
### Variations

- 1.1 This report reflects the spend to date and explains any variances which have arisen in the first eight months of the year which are likely to have an impact on our year end outturn.
- 1.2 At 30 November 2017 the Integrated Joint Board is showing a projected overspend of **£15k**, a negative movement of **£247k** from last month. The main areas of underspend and overspend are as follows:
- There is an in year overspend of **£119k** on Community Hospital Nursing and a projected overspend of **£165k (£177k month 7)**. From 1 November strict controls have been put in place to actively reduce bank and overtime use where possible. There has been a small decrease in bank usage to date which has reduced the projected overspend slightly.
  - The acute nursing within the set aside is **£85k** overspent in year and a **£109k** projected overspend (month 7 **£157k**). The projected overspend in the acute wards is mostly due to high bed occupancy in the medical wards and has resulted in the use of bank staff. Recovery plans have been drawn up to mitigate the risk of further overspend and to try and reduce the present overspend and there has been a reduction in projected out-turn due to a decrease in bank use.
  - There is an in year overspend on adult mental health placements of **£202k** and a projected overspend of **£391k (£364k month 7)**. This is due to continuing high cost placements at a secure unit and increase placements at NHS units. There is a corresponding underspend in adult care and support as the funding for one of the placements is within the CnES partner budget. The projection assumes the placements will remain for the full year plus notice of a further mental health placement in November has been included in the projected figures.

- Out of Hours is overspent **£38k** in year and is projected to overspend by **£61k** due to additional costs relating to forensic services, childrens on call doctor and A&E doctor.
- Homecare continues to underspend (though there is a reduction in underspend due to fluctuating activity and appointments to vacancies) and is projected to underspend by £221k (month 7 £279k) at the year end. This is due to in part to vacancies and lower mileage within the homecare service and savings associated with timing of implementing contracted workforce re-design and reablement teams.
- There is a projected underspend against residential income of £353k. An exercise has been undertaken to analyse expected income from residential care both in year and amounts still owing from previous years. The underspend is due to increased income expected from existing and backlog residential care assessments and is partially offset by greater than budgeted staffing.
- There is a projected underspend of £220k (month 7 £336k) on adult care and support. This is due to new complex and transition packages not materialising at budgeted costs or not yet commenced (see adult mental health placements above).
- There is a projected underspend of £156k on assessment and care services due in part to a higher level of scrutiny on the assessment criteria for direct payments and vacancies within the department.

### Efficiency Savings

- 1.3 The Integrated Joint Board's cash efficiency target is £1,643k, this is the IJB required efficiency savings including the Comhairle's workforce planning savings.
- 1.4 It is estimated that the IJB has already achieved savings of £870k, against the Financial Efficiency Plan (FEP) of £1,643k and at month 8 the Board is forecasting to achieve £1,451k of these savings. At month 8 £192k of these savings are forecast not to achieve and in total there are £623k of high risk savings. The risk rating of the plan at month 8 is summarised below and detailed at item 11.



- 1.5 Officers will be looking at other possible savings to compensate for saving that are unachievable and will be looking to mitigate the risk of further savings not achieving.

#### Forecast Out turn

- 1.6 The Board at month 8 is forecasting a **£15k** overspend at year end. Work is underway to try and mitigate the overspend on the NHS side of the IJB but it is unlikely the overspend will be mitigated in full. If the Board remains in overspend than this could be contained within IJB reserves.
- 1.7 NHS Boards across Britain are seeing exceptional high levels of winter pressures resulting from winter viruses and flu. This has been replicated within NHS Western Isles with the medical wards opening contingency beds and A&E seeing the highest level of attendees for a number of years. There may be a risk of increased costs to service contingency beds and a risk of increased prescribing. The effect of the pressure will not feed into the IJB until month 10 and is therefore not within the outturn figures for month 8.

## Income and Expenditure Summary

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

| Income & Expenditure<br>at Month 8 | Year to Date  |               |                              | Full Year Projection |               |                              | Month 7<br>Variance | Change       |
|------------------------------------|---------------|---------------|------------------------------|----------------------|---------------|------------------------------|---------------------|--------------|
|                                    | Budget        | Actual        | Variance<br>under/<br>(over) | Budget               | Actual        | Variance<br>under/<br>(over) |                     |              |
|                                    | £'000         | £'000         | £'000                        | £'000                | £'000         | £'000                        |                     |              |
| <b>Expenditure</b>                 |               |               |                              |                      |               |                              |                     |              |
| Chief Officer - Management         | 972           | 893           | 79                           | 1,724                | 1,724         | 0                            | 6                   | (6)          |
| Head of Locality Services          | 11,335        | 11,494        | (159)                        | 17,641               | 16,951        | 690                          | 820                 | (130)        |
| Head of Partnership Services       | 6,488         | 7,130         | (642)                        | 11,683               | 11,430        | 253                          | 222                 | 31           |
| Head of Dental Services            | 2,052         | 2,122         | (70)                         | 3,077                | 3,126         | (49)                         | (22)                | (27)         |
| Head of Mental Health Services     | 1,749         | 1,861         | (112)                        | 2,649                | 2,746         | (97)                         | (67)                | (30)         |
| Associate Medical Director         | 10,112        | 10,204        | (92)                         | 15,510               | 15,643        | (133)                        | (116)               | (17)         |
| Alcohol and Drugs Partnership      | 395           | 350           | 45                           | 530                  | 530           | 0                            | 0                   | 0            |
| Acute Set Aside                    | 3,315         | 3,722         | (407)                        | 5,383                | 6,062         | (679)                        | (611)               | (68)         |
| <b>Total Net Cost</b>              | <b>36,418</b> | <b>37,776</b> | <b>(1,358)</b>               | <b>58,197</b>        | <b>58,212</b> | <b>(15)</b>                  | <b>232</b>          | <b>(247)</b> |

2.1 The above table shows the IJB's overall spending position at the end of month 8 and the change in year end projections from month 8 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<br>at Month 8 | Year to Date |            |                              | Full Year Projection |              |                              |
|--|--------------|------------|------------------------------|----------------------|--------------|------------------------------|
|  | Budget       | Actual     | Variance<br>under/<br>(over) | Budget               | Actual       | Variance<br>under/<br>(over) |
|  | £'000        | £'000      | £'000                        | £'000                | £'000        | £'000                        |
| Community Management                     | 164          | 176        | (12)                         | 538                  | 543          | (5)                          |
| Community Admin                          | 90           | 93         | (3)                          | 109                  | 107          | 2                            |
| CnES Management and Admin                | 513          | 471        | 42                           | 769                  | 766          | 3                            |
| Housing Services                         | 205          | 153        | 52                           | 308                  | 308          | 0                            |
| <b>Surplus/ (Deficit)</b>                | <b>972</b>   | <b>893</b> | <b>79</b>                    | <b>1,724</b>         | <b>1,724</b> | <b>0</b>                     |

3.1 The above table shows the spending position on the Chief Officer's management budgets. There are no major year end variances.

#### 4. Head of Locality Services

| Head of Locality Services<br>at Month 8 | Year to Date  |               |                              | Full Year Projection |               |                              |
|---|---------------|---------------|------------------------------|----------------------|---------------|------------------------------|
|   | Budget        | Actual        | Variance<br>under/<br>(over) | Budget               | Actual        | Variance<br>under/<br>(over) |
|   | £'000         | £'000         | £'000                        | £'000                | £'000         | £'000                        |
| Community Nursing                       | 2,222         | 2,174         | 48                           | 3,335                | 3,274         | 61                           |
| Community Hospitals                     | 1,283         | 1,402         | (119)                        | 1,925                | 2,090         | (165)                        |
| CnES Residential Care                   | 2,850         | 2,926         | (76)                         | 4,275                | 3,922         | 353                          |
| Adult Care and Support Services         | 1,930         | 2,068         | (138)                        | 2,895                | 2,675         | 220                          |
| CnES Home Care                          | 2,968         | 2,857         | 111                          | 5,088                | 4,867         | 221                          |
| Adult Care Transport                    | 82            | 67            | 15                           | 123                  | 123           | 0                            |
| Community Care                          | 0             | 0             | 0                            | 0                    | 0             | 0                            |
| <b>Surplus/ (Deficit)</b>               | <b>11,335</b> | <b>11,494</b> | <b>(159)</b>                 | <b>17,641</b>        | <b>16,951</b> | <b>690</b>                   |

- 4.1 The above table shows the spending position on the Head of Locality's budgets. There is an in year overspend of **£159k** and a projected underspend of £690k (a reduction of £130k).
- 4.2 There is an in year overspend of **£119k** on Community Hospital Nursing and a projected overspend of **£165k (£177k month 7)**. From 1 November strict controls have been put in place to actively reduce bank and overtime use where possible. There has been a small decrease in bank usage to date which has reduced the projected overspend slightly.
- 4.3 Homecare continues to underspend (though there is a reduction in underspend due to fluctuating activity and appointments to vacancies) and is projected to underspend by £221k (month 7 £279k) at the year end. This is due to in part to vacancies and lower mileage within the homecare service and savings associated with timing of implementing contracted workforce re-design and reablement teams. Advertisements for staff required for the reablement team have been placed for the second time.
- 4.4 There is a projected underspend against residential income of £353k. An exercise has been undertaken to analyse expected income from residential care both in year and amounts still owing from previous years. The underspend is due to increased income expected from existing and backlog residential care assessments and is partially offset by greater than budgeted staffing.
- 4.5 There is a projected underspend of £220k (month 7 £336k) on adult care and support. This is due to new complex and transition packages not materialising at budgeted costs or not yet commenced. The underspend has reduced from month 7 due to changes relating to care staff employed in advance of two mainland placement repatriations, associated staff training required, and property adaptations required to enable the care packages to commence.

## 5. Head of Partnership Services

| Head of Partnership Services<br>at Month 8 | Year to Date |              |                              | Full Year Projection |               |                              |
|--|--------------|--------------|------------------------------|----------------------|---------------|------------------------------|
|  | Budget       | Actual       | Variance<br>under/<br>(over) | Budget               | Actual        | Variance<br>under/<br>(over) |
|  | £'000        | £'000        | £'000                        | £'000                | £'000         | £'000                        |
| Podiatry                                   | 289          | 313          | (24)                         | 434                  | 457           | (23)                         |
| Dietetics                                  | 123          | 120          | 3                            | 185                  | 177           | 8                            |
| Occupational Therapy                       | 415          | 327          | 88                           | 623                  | 609           | 14                           |
| Physiotherapy                              | 580          | 505          | 75                           | 870                  | 795           | 75                           |
| Community Care                             | 1,149        | 1,149        | 0                            | 1,724                | 1,724         | 0                            |
| Integration Funds                          | 0            | 0            | 0                            | 1,948                | 1,948         | 0                            |
| Criminal Justice                           | 162          | 130          | 32                           | 243                  | 243           | 0                            |
| Assessment and Care Services               | 817          | 945          | (128)                        | 1,226                | 1,070         | 156                          |
| Commissioning and Partners                 | 2,015        | 2,559        | (544)                        | 3,022                | 2,993         | 29                           |
| Adult Mainland Placements                  | 938          | 1,082        | (144)                        | 1,408                | 1,414         | (6)                          |
| <b>Surplus/ (Deficit)</b>                  | <b>6,488</b> | <b>7,130</b> | <b>(642)</b>                 | <b>11,683</b>        | <b>11,430</b> | <b>253</b>                   |

- 5.1 The above table shows the spending position on the Head of Partnership's budgets. There is a **£642k** in year overspend and £253k year end projected underspend.
- 5.2 There is a £75k underspend in year on physiotherapy and a projected outturn figure of £75k underspend. This is due to some vacancies within the department and some staff returning to work after maternity leave on reduced hours.
- 5.3 There is a projected underspend of £156k on assessment and care services due in part to a higher level of scrutiny on the assessment criteria for direct payments and vacancies within the department.

## 6. Head of Dental Services

| Head of Dental Services<br>at Month 8 | Year to Date |              |                              | Full Year Projection |              |                              |
|---------------------------------------|--------------|--------------|------------------------------|----------------------|--------------|------------------------------|
|                                       | Budget       | Actual       | Variance<br>under/<br>(over) | Budget               | Actual       | Variance<br>under/<br>(over) |
|                                       | £'000        | £'000        | £'000                        | £'000                | £'000        | £'000                        |
| Community Dental inc. Oral Health     | 151          | 145          | 6                            | 227                  | 219          | 8                            |
| General Dental Services               | 1,901        | 1,977        | (76)                         | 2,850                | 2,907        | (57)                         |
| <b>Surplus/ (Deficit)</b>             | <b>2,052</b> | <b>2,122</b> | <b>(70)</b>                  | <b>3,077</b>         | <b>3,126</b> | <b>(49)</b>                  |

- 6.1 The above table shows the spending position on the Head of Dental services budgets.
- 6.2 There is a **£70k** overspend in year due to the use of locum dentists and a **£57k** overspend at year end. Dental is a high risk area because of known dental vacancies occurring during the year and the use of agency staff.

## 7. Head of Mental Health Services

| Head of Mental Health Service:<br>at Month 8 | Year to Date |              |                              | Full Year Projection |              |                              |
|--|--------------|--------------|------------------------------|----------------------|--------------|------------------------------|
|  | Budget       | Actual       | Variance<br>under/<br>(over) | Budget               | Actual       | Variance<br>under/<br>(over) |
|  | £'000        | £'000        | £'000                        | £'000                | £'000        | £'000                        |
| Mental Health Management                     | 233          | 220          | 13                           | 372                  | 344          | 28                           |
| Mental Health Consultants                    | 270          | 351          | (81)                         | 406                  | 470          | (64)                         |
| Mental Health Nursing                        | 1,246        | 1,290        | (44)                         | 1,871                | 1,932        | (61)                         |
| <b>Surplus/ (Deficit)</b>                    | <b>1,749</b> | <b>1,861</b> | <b>(112)</b>                 | <b>2,649</b>         | <b>2,746</b> | <b>(97)</b>                  |

- 7.1 There is an in year overspend on Mental Health Consultants of **£81k** and a projected overspend of **£64k**. This is due to a combination of employing a long term locum at a slightly higher cost than a substantive post and the locum taking a 7 week break and being covered by a high cost agency consultant working on call. The projected overspend has decrease due to a change in employment status for the locum consultant (now employed as a NHS locum).
- 7.2 There are projected overspends in APU and Clisham wards of **£109k** partially offset by underspends in CPNs of £47k. The overspends in the wards are due to bank use partly due to high sickness in Clisham (12.88 % over the first 8 months).

## 8. Associate Medical Director

| Associate Medical Director<br>at Month 8 | Year to Date  |               |                              | Full Year Projection |               |                              |
|--|---------------|---------------|------------------------------|----------------------|---------------|------------------------------|
|  | Budget        | Actual        | Variance<br>under/<br>(over) | Budget               | Actual        | Variance<br>under/<br>(over) |
|  | £'000         | £'000         | £'000                        | £'000                | £'000         | £'000                        |
| Community Medical                        | 166           | 166           | 0                            | 249                  | 249           | 0                            |
| GMS                                      | 4,026         | 4,026         | 0                            | 6,284                | 6,283         | 1                            |
| GPS - Prescribing                        | 4,031         | 4,085         | (54)                         | 5,784                | 5,857         | (73)                         |
| FHS                                      | 1,091         | 1,091         | 0                            | 1,996                | 1,996         | 0                            |
| Out of Hours                             | 798           | 836           | (38)                         | 1,197                | 1,258         | (61)                         |
| <b>Surplus/ (Deficit)</b>                | <b>10,112</b> | <b>10,204</b> | <b>(92)</b>                  | <b>15,510</b>        | <b>15,643</b> | <b>(133)</b>                 |

- 8.1 The above table shows the spending position on the Associate Medical Director budget. The GP prescribing budget is projected to overspent by **£73k** due to a lower than expected percentage decrease in the cost of the drug Pregabalin. The Board has also been informed of a number of drugs on short supply which could result in these drug prices increasing and further increasing the year end overspend. As mentioned in the summary there has been an increase in winter viruses and flu



which may have a secondary effect on prescribing which the Board will not see through the accounts until end of March 2018.

- 8.2 Out of Hours is overspent **£38k** in year and is projected to overspend by **£61k** due to additional costs relating to forensic service, childrens on call doctor and A&E doctor.

## 9. Alcohol and Drugs Partnership

| Alcohol & Drugs Partnership<br>at Month 8 | Year to Date |            |                              | Full Year Projection |            |                              |
|---|--------------|------------|------------------------------|----------------------|------------|------------------------------|
|   | Budget       | Actual     | Variance<br>under/<br>(over) | Budget               | Actual     | Variance<br>under/<br>(over) |
|   | £'000        | £'000      | £'000                        | £'000                | £'000      | £'000                        |
| Alcohol and Drugs Partnership             | 395          | 350        | 45                           | 530                  | 530        | 0                            |
| <b>Surplus/ (Deficit)</b>                 | <b>395</b>   | <b>350</b> | <b>45</b>                    | <b>530</b>           | <b>530</b> | <b>0</b>                     |

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

## 10. NHS Set Aside

| Set Aside<br>at Month 8     | Year to Date |              |                              | Full Year Projection |              |                              |
|-----------------------------|--------------|--------------|------------------------------|----------------------|--------------|------------------------------|
|                             | Budget       | Actual       | Variance<br>under/<br>(over) | Budget               | Actual       | Variance<br>under/<br>(over) |
|                             | £'000        | £'000        | £'000                        | £'000                | £'000        | £'000                        |
| Acute Nursing               | 2,404        | 2,483        | (79)                         | 3,605                | 3,714        | (109)                        |
| SLA - General Medicine      | 92           | 92           | 0                            | 549                  | 549          | 0                            |
| General Medical Consultants | 426          | 527          | (101)                        | 640                  | 780          | (140)                        |
| Pharmacy                    | 146          | 171          | (25)                         | 218                  | 257          | (39)                         |
| ECR - Adult Mental Health   | 247          | 449          | (202)                        | 371                  | 762          | (391)                        |
| <b>Surplus/ (Deficit)</b>   | <b>3,315</b> | <b>3,722</b> | <b>(407)</b>                 | <b>5,383</b>         | <b>6,062</b> | <b>(679)</b>                 |

- 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 **£407k** and a projected overspend of **£679k** (**£611k** at month 7).
- 10.2 The set aside budget includes those areas not managed directly by the IJB but the budget falls under the remit of the IJB. The Acute Nursing includes the medical and rehabilitation wards together with A&E. The pharmacy budget relates to the drugs prescribed on wards or community areas within the IJB.
- 10.3 The acute nursing within the set aside is **£85k** overspent in year and a **£109k** projected overspend (month 7 **£157k**). The projected overspend in the acute wards

is mostly due to high bed occupancy in the medical wards and has resulted in the use of bank staff.

Recovery plans have been drawn up to mitigate the risk of further overspend and to try and reduce the present overspend and as you can see there has been a reduction in projected out-turn due to a decrease in bank use.

- 10.4 There is an in year overspend on adult mental health placements of **£202k** and a projected overspend of **£391k** (**£364k** month 7). This is due to continuing high cost placements at a secure unit and increase placements at NHS Units. There is a corresponding underspend in adult care and support as the funding for one of the placements is within the CnES partner budget. The projection assumes the placements will remain for the full year.

## Appendix 1

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

This action plan was drawn up as part of the 17/18 budget-setting process. It is actively monitored by the finance team who are working with managers to ensure that there are robust project plans in place, progress against which will be reported to the Integrated Corporate Management Team on a monthly basis and to the Integrated Joint Board.

The following table shows the agreed actions, lead officers, contribution to savings and progress to date together with risk rating.

| Description   | Lead Manager       | R/N | Total Savin<br>£'000 | Month 8<br>Target<br>£'000 | Savings<br>ToDate<br>£'000 | Projected<br>Savings<br>£'000 | Surplus /<br>(shortfall)<br>£'000 | Risk | Risk Sco |
|---|--------------------|-----|----------------------|----------------------------|----------------------------|-------------------------------|-----------------------------------|------|----------|
| Use of E Health Technology releasing time to care   | Jon Harris         | R   | 75                   | 0                          | 0                          | 75                            | 0                                 | H    | 15       |
| Redesign OT service by reducing capacity by one FTE   | Sonia Smit         | R   | 44                   | 29                         | 29                         | 44                            | 0                                 | H    | 12       |
| Delete Band 5 vacant post Barra   | Kathleen McCulloch | R   | 46                   | 31                         | 0                          | 0                             | -46                               | H    | 12       |
| Targeted repatriation of Mainland placements -  | Ron Culley         | R   | 35                   | 23                         | 23                         | 35                            | 0                                 | H    | 12       |
| Podiatry - stopping basic nail care - items of low value  | Sarann MacPhee     | R   | 25                   | 17                         | 0                          | 0                             | -25                               | H    | 12       |
| Podiatry - centralisation and Income generation   | Sarann MacPhee     | R   | 10                   | 7                          | 0                          | 0                             | -10                               | H    | 10       |
| Invest in group based support for people with learning disabilities and reduce the cost of bespoke packages | Paul Dundas        | R   | 99                   | 66                         | 66                         | 99                            | 0                                 | H    | 12       |
| Repatriate mainland placements  | Emma MacSween      | R   | 50                   | 33                         | 0                          | 50                            | 0                                 | H    | 10       |
| The use of four additional fleet cars for travel savings b/f  | Paul Dundas        | R   | 10                   | 7                          | 0                          | 0                             | -10                               | H    | 10       |
| Savings on Drugs prescribed including increase in rebates   | Kirsty Brightwell  | R   | 215                  | 143                        | 89                         | 142                           | -73                               | H    | 12       |
| Additional Sickness Target 1%   | Mike Hutchinson    | R   | 14                   | 9                          | 0                          | 0                             | -14                               | H    | 10       |
| Diversification of income streams for Dietetics   | Karen France       | NR  | 6                    | 4                          | 0                          | 6                             | 0                                 | M    | 8        |
| Redesign Specialist Nursing   | Kathleen McCulloch | R   | 25                   | 17                         | 17                         | 25                            | 0                                 | M    | 8        |
| Reduction in minor equipment  | Ron Culley         | R   | 10                   | 7                          | 7                          | 10                            | 0                                 | M    | 8        |
| GMS Les Des efficiencies  | Ron Culley         | R   | 9                    | 6                          | 6                          | 9                             | 0                                 | M    | 8        |
| National Procurement Efficiencies IJB   | Kathleen McCulloch | R   | 25                   | 17                         | 17                         | 25                            | 0                                 | M    | 8        |
| Additional Sickness Target 1%   | Ron Culley         | R   | 143                  | 95                         | 95                         | 143                           | 0                                 | M    | 8        |
| Redesign of Dental Services   | Colin Robertson    | R   | 272                  | 181                        | 181                        | 272                           | 0                                 | M    | 8        |

## Appendix 1

| Description   | Lead Manager       | R/NR | Total Savings | Month 8 Target | Savings To date | Projected Savings | Surplus / (shortfall) / | Risk | Risk Score |
|---|--------------------|------|---------------|----------------|-----------------|-------------------|-------------------------|------|------------|
|   |                    |      | £'000         | £'000          | £'000           | £'000             | £'000                   |      |            |
| Efficiencies within the incontinence service                        | Kathleen McCulloch | R    | 10            | 7              | 7               | 10                | 0                       | M    | 6          |
| Barra and Uist Non pay efficiencies                                 | Kathleen McCulloch | R    | 10            | 7              | 7               | 10                | 0                       | M    | 6          |
| Reduce charging variation in dentists                               | Colin Robertson    | R    | 10            | 7              | 7               | 10                | 0                       | M    | 6          |
| Additional Sickness Target 1%                                       | Colin Robertson    | R    | 16            | 11             | 11              | 16                | 0                       | M    | 6          |
| Third and independent sector partners to volunteer efficiency       | Emma MacSween      | R    | 10            | 0              | 0               | 10                | 0                       | M    | 8          |
| Introduce our approved charging regime for social care services     | Ron Culley         | R    | 15            | 0              | 0               | 15                | 0                       | M    | 6          |
| Opportunistic saving of 1% on CNES pay budgets                      | All                | R    | 150           | 100            | 100             | 150               | 0                       | M    | 6          |
| A reduction in overtime payments of 50% savings b/f                 | Paul Dundas        | R    | 30            | 20             | 12              | 15                | -15                     | M    | 6          |
| Vacant A&E HC assistant - 3 months                                  | Lachlan Macpherson | R    | 6             | 6              | 6               | 6                 | 0                       | L    | 2          |
| Delete Band 6 Extended Scope Practitioner post within Physiotherapy | Sheila Nicolson    | R    | 24            | 16             | 16              | 24                | 0                       | L    | 2          |
| Podiatry - redesign senior podiatry post                            | Sarann MacPhee     | R    | 4             | 3              | 2               | 4                 | 0                       | L    | 2          |
| Freeze Vacant B7 Eastside Post 6 months                             | Kathleen McCulloch | R    | 26            | 26             | 26              | 26                | 0                       | L    | 2          |
| Freeze vacant B3 (0.3 WTE) Harris Post 12 Months                    | Kathleen McCulloch | R    | 10            | 7              | 7               | 10                | 0                       | L    | 2          |

## Appendix 1

| Description  | Lead Manager       | R/NR | Total Savings | Month 8 Target | Savings To date | Projected Savings | Surplus / (shortfall) / | Risk | Risk Score |
|--|--------------------|------|---------------|----------------|-----------------|-------------------|-------------------------|------|------------|
|  |                    |      | £'000         | £'000          | £'000           | £'000             | £'000                   |      |            |
| Nursing Non pay efficiencies (Mixture of supplies and travel)          | Kathleen McCulloch | R    | 25            | 17             | 17              | 25                | 0                       | L    | 2          |
| Admin/PA review  | Ron Culley         | R    | 30            | 20             | 20              | 30                | 0                       | L    | 2          |
| Efficiencies in Community Dental Services                              | Colin Robertson    | NR   | 77            | 51             | 51              | 77                | 0                       | L    | 2          |
| LDP Nurse - CPN Lewis and Harris - Freeze for 3 months                 | Mike Hutchinson    | NR   | 10            | 10             | 10              | 10                | 0                       | L    | 2          |
| Health Management budget efficiencies                                  | Mike Hutchinson    | R    | 22            | 15             | 15              | 22                | 0                       | L    | 2          |
| Vacancy Freeze CPN Uist  | Mike Hutchinson    | R    | 9             | 6              | 6               | 9                 | 0                       | L    | 2          |
| CPN Non pay efficiencies   | Mike Hutchinson    | R    | 9             | 6              | 6               | 9                 | 0                       | L    | 2          |
| Reduce grant allocation to specific third sector bodies over two years | Emma MacSween      | R    | 5             | 0              | 0               | 5                 | 0                       | L    | 2          |
| A reduction in sickness absence of 10% savings b/f                     | Paul Dundas        | R    | 23            | 15             | 15              | 23                | 0                       | L    | 2          |
| <b>Total Savings Plan as of Month 8</b>                                |                    |      | <b>1,643</b>  | <b>1,040</b>   | <b>870</b>      | <b>1,451</b>      | <b>-192</b>             |      |            |

- 11.1 The table above shows that at month 8 the Board has achieved £870k savings against a target of £1,040k. The Board is projected to achieve £1,451k of the identified cash savings. The chart at item 1.4 and the first part of this table above shows £623k of high risk saving.
- 11.2 The table below shows the NHS financial recovery plan at month 8 which was put in place at month 7 to try and mitigate the overspend areas. As reported in month 7 within the NHS partner budget is a number of areas of overspend that cannot be mitigated due to the clinical risk associated with expenditure or that the control of the expenditure is out with NHS Western Isles, for examples adult mental health placements, Prescribing and Out of Hours.

## Appendix 1

| Ref | Description   | Responsible | Action   | Saving<br>£    | Month 8<br>£  | Projection<br>£ | Variance<br>£ | RAG |
|-----|---|-------------|--|----------------|---------------|-----------------|---------------|-----|
| 1   | General Vacancy Freeze  | CO/ND       | Update at Month 8 - the post that were identified remain vacant achieving one month of savings to-date                             | 43,698         | 8,740         | 43,698          | -             | M   |
| 2   | Cease all non-direct clinical care off-island travel study leave (exc. SG performance/delivery meeting) | HoD         | Reduction in travel has occurred   | 4,905          | 981           | 4,905           | -             | M   |
| 3   | Default position of no bank   | CO/ND/HM    | Bank in the medical wards have reduced considerably in November but have increased within mental health wards due to high sickness | 68,608         | 13,629        | 68,608          | -             | M   |
| 4   | Improved management of sickness absence   | HoD         | a further 5% reduction on bank and 10% reduction on excess hours for 5 months  | 16,244         | -             | 8,122           | 8,122         | H   |
| 5   | No overtime   | CO/ND/HM    | There has as yet been no sizable decrease in overtime used, this will be reassessed at month 9                                     | 10,500         | 588           | 5,250           | 5,250         | M   |
| 6   | Freeze all non-committed non pay revenue  | CO          | Look at all uncommitted RRL received and any projects not fully committed  | 25,000         | 5,000         | 25,000          | -             | L   |
| 7   | Explore possibility of early closure of Clisham Wards   | ND/DPH      | 6 patients to-date would reassess at 3 patients  | TBC            | -             | -               | -             | H   |
| 8   | Cease non medical locum staff employment with the exception of Laboratories                             | CO/ND       | Only £25k of Agency staff for non medical locum staff have been projected for months 7-12 - target at 25%                          | 6,250          | -             | 6,250           | -             | M   |
| 9   | Assess impact of ECR delay until 01/04/2018   | MD          | To be assessed on a case by case basis   | TBC            | -             | -               | -             | H   |
|     |   |             |  | <b>175,204</b> | <b>28,938</b> | <b>161,833</b>  | <b>13,372</b> |     |

## Appendix 1

## 12. Financial Risks

There are many potential financial risks in achieving the break-even for 2017/18. The risks presented are for this year and the risk rating may have dropped as we move towards the year end but the long term risk will remain. The risks include:

- 12.1 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, **£623k** are currently rated as high risk.
- 12.2 The high levels of sustained delayed discharges experienced during 2016/17 (occupying up to a half of medical bed capacity, and all of whom are awaiting care home placement or social home care packages) is likely to continue. This may have a significant impact on the Board's ability to meet the Treatment Time Guarantee, and result in additional costs associated with staffing local contingency beds; mainland treatment as a result of displacement; and patient travel. In addition it could necessitate the urgent transfer of emergency admissions that may otherwise be treated locally. The potential impact in 2017/18 is in excess of **£100k** and the risk is currently rated as medium although action is being taken to address this with local authority partners.
- 12.3 Consultant medical staff sickness absence may incur expensive non NHS locum costs. The potential impact is **£100k** and this risk is rated as medium due to the possibility of sickness absence occurring.
- 12.4 Further reduction in GP numbers could put increasing pressure on the GP Out of Hours services, potentially leading to increased use of locums. This risk is rated as medium and the potential impact is **£100k**.
- 12.5 Inflationary assumptions may be incorrect, although benchmarking with other Boards indicates that our assumptions are broadly consistent. The potential impact is **£100k** and this risk is rated as low.
- 12.6 There are increasing numbers of high cost cases in Health and Social Care (including mainland placements) The potential impact is **£100k** and this risk is rated as low.
- 12.7. Demographic growth is resulting in an increasing proportion of elderly people requiring care. The potential impact is **£200k** and this risk is rated as low.



### 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.   |