



CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

Integrated Joint Board - Financial monitoring report for the 4 months to 31 July 2017

Introduction

The financial monitoring report provides an overview of the Integrated Joint Board's financial position at the end of July 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 at Month 4	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	11,913	12,240	(327)	38,909	39,406	(497)
Comhairle	6,006	6,942	(936)	19,257	18,636	621
Surplus/ (Deficit)	17,919	19,182	(1,263)	58,166	58,042	124

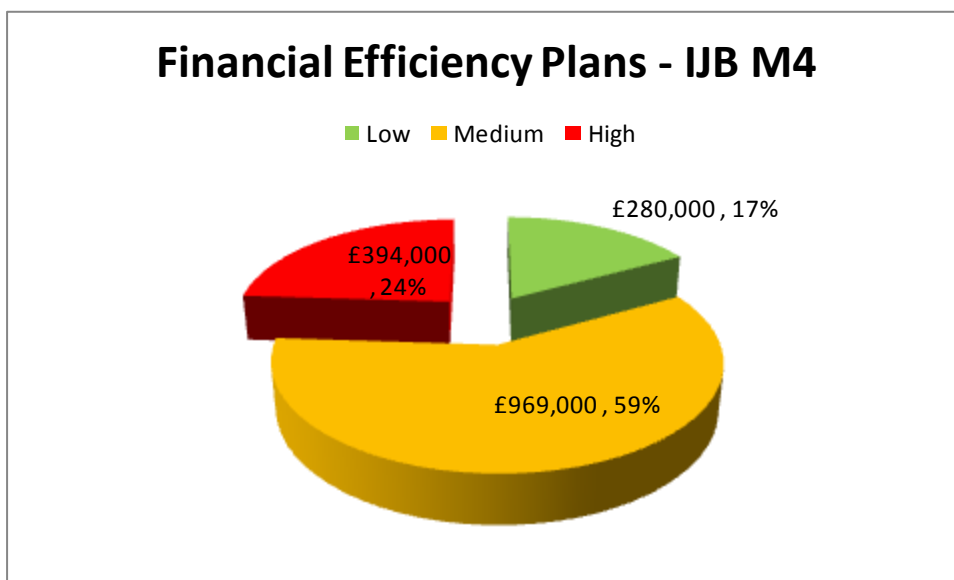
Variations

- 1.1 This report reflects the spend to date and explains any variances which have arisen in the first four months of the year which are likely to have an impact on our year end outturn.
- 1.2 At 31 July 2017 the Board is showing an overspend of £1,263k and a projected year end underspend of £124k. The main areas of concern are as follows:
- There is an in year overspend of £73k on Community Hospital Nursing and a projected overspend of £64k. There is a high risk that if the bank does not reduce, the overspend will increase month on month and unmitigated lead to a possible overspend of £150k . A meeting has been held with one of the senior charge hands and a recovery plan has been drawn up to mitigate the risk of further overspending in Uist and Barra hospital and to try and reduce the present overspend.
 - Homecare continues to underspend and is projected to underspend by £437k at the year end. This is due in part to vacancies within homecare service and the homecare management and the redesign of services (intermediate care and urgent care) not yet implemented.
 - There is an in year overspend on Mental Health Consultants of £83k and a projected overspend of £100k. This is due to a combination of employing a long term agency 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 doing on call.
 - There are large overspends in year showing against services with client income. This is due to budget profiles being different than the when invoices are raised.
 - The Acute nursing within the set aside is £68k overspent in year and a £98k projected overspend .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. Although delayed discharges have improved, there are still a number of delays in the medical wards. A meeting will be held with the relevant senior

charge hands and a recovery plan will be drawn up to mitigate the risk of further overspend and to try and reduce the present overspend

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 £320k, against the Financial Efficiency Plan (FEP) of £1,643k and at month 4 the Board is forecasting to achieve £1,544k of these savings. At month 4 £99k of these savings are forecast not to achieve and there is also £394k of high risk savings. The risk rating of the plan at month 4 is summarised below and detailed at paragraph 10.



- 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 4 is forecasting a £124k underspend at year end. Work is underway to try and mitigate the overspend on the NHS side of the IJB. Recovery plans will be put in place in all areas of overspending to assess whether overspends can be mitigated and reduced and if not why.

Reserves

- 1.7 The year end reserves of the IJB were £3,074k made up of £1,631k earmarked reserves and £1,443k general reserves. The investment strategy presented in September will ask for approval to take some of the general reserves and earmark them for use in transformational charge.

2. Income and Expenditure Summary

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

Income & Expenditure at Month 4	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Chief Officer - Management	492	502	(10)	1,476	1,465	11
Head of Locality Services	5,419	5,671	(252)	17,505	16,945	560
Head of Partnership Services	3,211	3,819	(608)	11,923	11,880	43
Head of Dental Services	1,026	1,056	(30)	3,078	3,082	(4)
Head of Mental Health Services	884	993	(109)	2,649	2,774	(125)
Associate Medical Director	5,028	5,128	(100)	15,510	15,510	-
Alcohol and Drugs Partnership	173	163	10	530	531	(1)
Acute Set Aside	1,686	1,850	(164)	5,495	5,855	(360)
Total Net Cost	17,919	19,182	(1,263)	58,166	58,042	124

- 2.1 The above table shows the IJB's overall spending position at the end of Month 4 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 4	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Management	165	89	76	495	490	5
Community Admin	36	41	(5)	109	105	4
CnES Management and Admin	188	295	(107)	564	564	0
Housing Services	103	77	26	308	306	2
Surplus/ (Deficit)	492	502	(10)	1,476	1,465	11

- 3.1 The above table shows the spending position on the Chief Officer's management budgets. There are no major year end variances. In year variances are due to grant income yet to be received and NHS grants yet to be paid

4. Head of Locality Services

Head of Locality Services at Month 4	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Nursing	1,112	1,065	47	3,335	3,330	5
Community Hospitals	641	714	(73)	1,925	1,989	(64)
CnES Residential Care	1,410	1,561	(151)	4,226	4,181	45
Adult Care and Support Services	957	1,102	(145)	2,866	2,729	137
CnES Home Care	1,260	1,193	67	5,036	4,599	437
Adult Care Transport	39	36	3	117	117	0
Community Care	0	0	0	0	0	0
Surplus/ (Deficit)	5,419	5,671	(252)	17,505	16,945	560

- 4.1 The above table shows the spending position on the Head of Locality's budgets. There is an in year overspend of £252k and a projected underspend of £560k.
- 4.2 There is an in year overspend of £73k on Community Hospital Nursing (Uist and Barra £43k, Barra/St Brendans £30k) and a projected overspend of £64k. There is a high risk that if the bank does not reduce, the overspend will increase month on month and unmitigated lead to a possible overspend of £150k. A meeting has been held with one of the senior charge hands and a recovery plan has been drawn up to mitigate the risk of further overspend in Uist and Barra hospital and to try and reduce the present overspend.
- 4.3 The in year overspend at month 4 on Residential Care of £151k is due to budget profile differences relating to client income. A comprehensive review of our client income is being undertaken and by month 5 we will be able to report confidentially to the Board the likely outturn position, split between in year income and historic invoiced income. At month 4 the income has been projected as budget.
- 4.4 The in year overspend at month 4 on Adult care and Support Services if £145k is due to budget profile differences relating to client income. We expect an underspend of £137k against this budget due to some complex packages not materialised at expected cost to date or did not start at 1 April.
- 4.5 Homecare continues to underspend and is projected to underspend by £437k at the year end. This due in part to vacancies within homecare service and the homecare management and the redesign of services (intermediate care and urgent care) not yet implemented.

5. Head of Partnership Services

Head of Partnership Services at Month 4	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Podiatry	145	148	(3)	434	423	11
Dietetics	61	73	(12)	185	181	4
Occupational Therapy	207	212	(5)	622	630	-8
Physiotherapy	290	249	41	870	834	36
Community Care	459	459	0	1,724	1,724	0
Integration Funds	0	0	0	1,948	1,948	0
Criminal Justice	81	74	7	241	241	0
Assessment and Care Services	430	520	(90)	1,290	1,290	0
Commissioning and Partners	1,018	1,440	(422)	3,051	3,051	0
Adult Mainland Placements	520	644	(124)	1,558	1,558	0
Surplus/ (Deficit)	3,211	3,819	(608)	11,923	11,880	43

- 5.1 The above table shows the spending position on the Head of Partnership's budgets. There is a £608k in year overspend and £43k yearend projected underspend.
- 5.2 Commissioning and Partners are overspent in year by £422k, this is due to budget profile difference relating to client income.
- 5.3 At month 4 there are no major projected outturn variances

6. Head of Dental Services

Head of Dental Services at Month 4	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	75	76	(1)	227	220	7
General Dental Services	951	980	(29)	2,851	2,862	(11)
Surplus/ (Deficit)	1,026	1,056	(30)	3,078	3,082	(4)

- 6.1 The above table shows the spending position on the Head of Dental's budgets. There are no major variances to date but Dental is a high risk area because of known Dentist vacancies occurring during the year and the uncertainty around the Independent Dental Practitioner.

7. Head of Mental Health Services

Head of Mental Health Services at Month 4	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	124	125	(1)	372	364	8
Mental Health Consultants	135	218	(83)	406	506	(100)
Mental Health Nursing	625	650	(25)	1,871	1,904	(33)
Surplus/ (Deficit)	884	993	(109)	2,649	2,774	(125)

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

7.2 There is an in year overspend on Mental Health Consultants of £83k and a projected overspend of £100k. This is due to a combination of employing a long term agency 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 doing on call.

7.3 There are projected overspends within the acute mental health wards partly offset by some underspends in the CPNS. If bank use does not decrease then it is possible that the overspend projection could increase.

8. Associate Medical Director

Associate Medical Director at Month 4	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Medical	83	83	0	249	249	0
GMS	2,064	2,064	0	6,284	6,284	0
GPS - Prescribing	1,960	2,061	(101)	5,784	5,784	0
FHS	522	522	0	1,996	1,996	0
Out of Hours	399	398	1	1,197	1,197	0
Surplus/ (Deficit)	5,028	5,128	(100)	15,510	15,510	0

8.1 The above table shows the spending position on the Associate Medical Director budget. The GP prescribing budget is overspent in year by £101k due the timing of advances and savings on specific drugs and changes to the drug tariff only occurring from July onwards. This is a high risk budget and will be monitored carefully for any changes to drug prescribing patterns on a monthly basis but we do expect this budget to breakeven by year end.

9. Alcohol and Drugs Partnership

Alcohol & Drugs Partnership at Month 4	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	173	163	10	530	531	(1)
Surplus/ (Deficit)	173	163	10	530	531	(1)

9.1 The above table shows the spending position on the Alcohol and Drugs Partnership budget. There are no major variances to date.

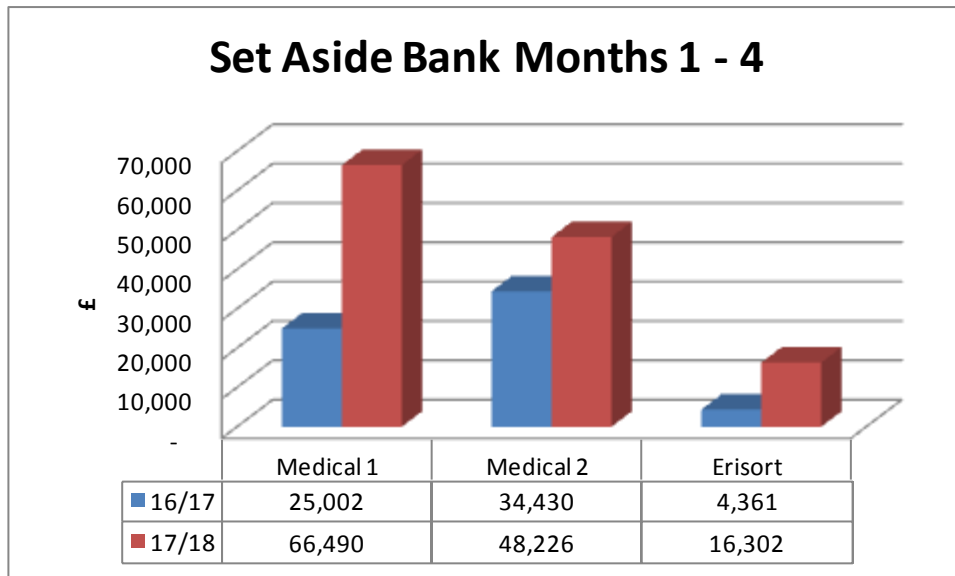
10. NHS Set Aside

Set Aside at Month 4	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Acute Nursing	1,202	1,265	(63)	3,605	3,703	(98)
SLA - General Medicine	92	92	0	549	549	0
General Medical Consultants	213	228	(15)	640	629	11
Pharmacy	110	115	(5)	330	346	(16)
ECR - Adult Mental Health	69	150	(81)	371	628	(257)
Surplus/ (Deficit)	1,686	1,850	(164)	5,495	5,855	(360)

15.1 The above table shows the spending position on the NHS Set Aside budget. The set aside budget is showing an in year overspend of £164k and a projected overspend of £360k.

15.2 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.

15.3 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. The table below shows the cost of the bank in the medical wards over the first 4 months of the year.



- 15.4 Continuing private mental health placements are resulting in an in year overspend of £81k and projected year ends overspend of £257k. Within the projections is an assumption the long term placements continue, if patients are discharged then overspend could reduce.

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 Savings £'000	Month 4 Target £'000	Savings To date £'000	Projected Savings £'000	Surplus / (shortfall) £'000	Risk	Risk Score
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	15	10	30	-14	H	12
Delete Band 5 vacant post Barra	Kathleen McCulloch	R	46	15	0	20	-26	H	12
Targeted repatriation of Mainland placements -	Ron Culley	R	35	12	12	35	0	H	12
Podiatry - stopping basic nail care - items of low value	Sarann MacPhee	R	25	8	0	0	-25	H	12
Podiatry - centralisation and Income generation	Sarann MacPhee	R	10	3	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	33	33	99	0	H	12
Repatriate mainland placements	Emma MacSween	R	50	0	0	50	0	H	10
The use of four additional fleet cars for travel savings b/f	Paul Dundas	R	10	3	0	0	-10	H	10
Savings on Drugs prescribed including increase in rebates	Kirsty Brightwell	R	215	22	22	215	0	M	9
Diversification of income streams for Dietetics	Karen France	NR	6	2	0	6	0	M	8
Redesign Specialist Nursing	Kathleen McCulloch	R	25	8	8	25	0	M	8
Reduction in minor equipment	Ron Culley	R	10	3	3	10	0	M	8
GMS Les Des efficiencies	Ron Culley	R	9	3	3	9	0	M	8
National Procurement Efficiencies IJB	Kathleen McCulloch	R	25	8	6	25	0	M	8
Additional Sickness Target 1%	Ron Culley	R	143	48	48	143	0	M	8
Redesign of Dental Services	Colin Robertson	R	272	40	30	272	0	M	8

Appendix 1

Description	Lead Manager	R/NR	Total Savings	Month 4 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	3	0	10	0	M	6
Barra and Uist Non pay efficiencies	Kathleen McCulloch	R	10	3	3	10	0	M	6
Reduce charging variation in dentists	Colin Robertson	R	10	3	3	10	0	M	6
Additional Sickness Target 1%	Colin Robertson	R	16	5	0	16	0	M	6
Additional Sickness Target 1%	Mike Hutchinson	R	14	5	0	14	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	50	50	150	0	M	6
A reduction in overtime payments of 50% savings b/f	Paul Dundas	R	30	10	5	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	8	8	24	0	L	2
Podiatry - redesign senior podiatry post	Sarann MacPhee	R	4	1	1	4	0	L	2
Freeze Vacant B7 Eastside Post 6 months	Kathleen McCulloch	R	26	9	9	26	0	L	2
Freeze vacant B3 (0.3 WTE) Harris Post 12 Months	Kathleen McCulloch	R	10	3	3	10	0	L	2

Appendix 1

Description	Lead Manager	R/NR	Total Savings	Month 4 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	8	8	25	0	L	2
Admin/PA review	Ron Culley	R	30	10	10	30	0	L	2
Efficiencies in Community Dental Services	Colin Robertson	NR	77	26	26	77	0	L	2
LDP Nurse - CPN Lewis and Harris - Freeze for 3 months	Mike Hutchinson	NR	10	3	3	10	0	L	2
Health Management budget efficiencies	Mike Hutchinson	R	22	7	7	22	0	L	2
Vacancy Freeze CPN Uist	Mike Hutchinson	R	9	3	3	9	0	L	2
CPN Non pay efficiencies	Mike Hutchinson	R	9	3	3	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	8	8	23	0	L	2
Total Savings Plan as of Month 4			1,643	399	331	1,544	-39		

- 11.1 The table above shows that at month 4 the Board has achieved £331k savings against a target of £399k. The Board is projected to achieve £1,544k of the identified cash savings. The chart at paragraph 1.4 and the first part of this table above shows £394k of high risk saving.

12. Financial Risks

There are many potential financial risks in achieving the break-even for 2017/18, including:

- 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, £188k 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 **£300k** 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 **£250k** 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 **£200k**.
- 12.5 Inflationary assumptions may be incorrect, although benchmarking with other Boards indicates that our assumptions are broadly consistent. The potential impact is **£200k** 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 **£500k** 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 **£500k** 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.