



## CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

Meeting: Integration Joint Board  
Date: 22.03.18  
Item: 5.1  
Purpose: For Assurance

### **Integration Joint Board - Financial monitoring report for the 10 months to 31 January 2018**

#### **Introduction**

The financial monitoring report provides an overview of the Integration Joint Board's financial position at the end of January 2018. 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 10	Year to Date			Full Year Projection			Month 9 Variance	Change
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue</b>								
NHS Partner	30,112	30,884	(772)	38,921	39,938	(1,017)	(897)	(120)
Comhairle	16,112	16,555	(443)	19,334	18,202	1,132	978	154
<b>Surplus/ (Deficit)</b>	<b>46,224</b>	<b>47,439</b>	<b>(1,215)</b>	<b>58,255</b>	<b>58,140</b>	<b>115</b>	<b>81</b>	<b>34</b>

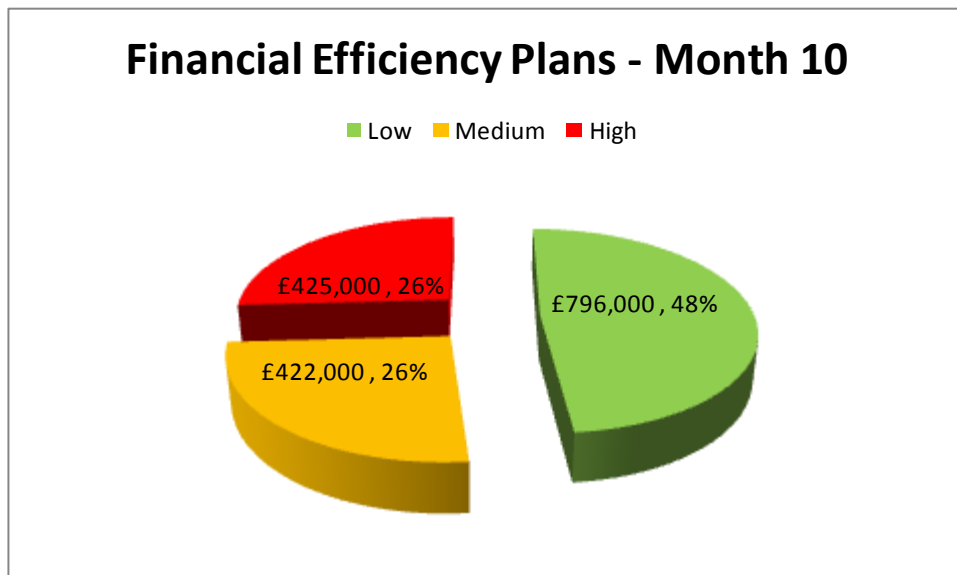
### Variations

- 1.1 This report reflects the spend to date and explains any variances which have arisen in the first ten months of the year which are likely to have an impact on our year end outturn.
- 1.2 At 31 January 2018 the Integrated Joint Board is showing a projected underspend of **£115k**. The main areas of underspend and overspend are as follows:
  - There is an in year overspend of **£137k** on Community Hospital Nursing and a projected overspend of **£155k (£159k month 9)**. From 1 November 2017 strict controls have been put in place to activity 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 **£118k** overspent in year and a **£146k** 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. Extreme winter pressure within Scotland in January 2018 had an adverse effect on controls the Board had put in place to reduce bank use in that bank had to be used to support the contingency beds opened.
  - There is an in year overspend on adult mental health placements of **£236k** and a projected overspend of **£309k**. This is due to continuing high cost placements at a secure unit and increase placements at NHS units.
  - Out of Hours is overspent **£58k** in year and is projected to overspend by **£68k** due to additional costs relating to forensic services, children's on call doctor and A&E doctor.
  - Homecare continues to underspend and is projected to underspend by **£406k** at the year-end (**£222k month 9**). A review of homecare expenditure took place in month 10 which has resulted in the underspend increasing by **£184k**. The underspend is due to in part to vacancies, 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 care of **£376k**. An exercise was undertaken at month 8 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 **£193k** on adult care and support. This is due to new complex and transition packages not materialising at budgeted costs or not yet commenced.
- There is a projected underspend of **£153k** 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 £1,170k, against the Financial Efficiency Plan (FEP) of £1,643k and at month 10 the Board is forecasting to achieve £1,466k of these savings. At month 10 £268k of these savings are forecast not to achieve and in total there are £425k of high risk savings. The risk rating of the plan at month 10 is summarised below and detailed at item 11.



- 1.5 The savings that are not achievable are part of the outturn projection at month 10.

### Forecast Out turn

- 1.6 The Board at month 10 is forecasting a £115k underspend at year end.

## Income and Expenditure Summary

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

Income & Expenditure at Month 10	Year to Date			Full Year Projection			Month 8 Variance	Change
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)		
	£'000	£'000	£'000	£'000	£'000	£'000		
<b>Expenditure</b>								
Chief Officer - Management	1,015	1,155	(140)	1,725	1,802	(77)	(4)	(73)
Head of Locality Services	14,682	14,445	237	17,516	16,616	900	695	205
Head of Partnership Services	8,352	8,841	(489)	11,747	11,521	226	254	(28)
Head of Dental Services	2,564	2,615	(51)	3,077	3,107	(30)	(44)	14
Head of Mental Health Services	2,195	2,273	(78)	2,649	2,728	(79)	(87)	8
Associate Medical Director	12,719	12,930	(211)	15,475	15,688	(213)	(142)	(71)
Alcohol and Drugs Partnership	449	449	0	530	531	(1)	0	(1)
Acute Set Aside	4,248	4,731	(483)	5,536	6,147	(611)	(591)	(20)
<b>Total Net Cost</b>	<b>46,224</b>	<b>47,439</b>	<b>(1,215)</b>	<b>58,255</b>	<b>58,140</b>	<b>115</b>	<b>81</b>	<b>34</b>

2.1 The above table shows the IJB's overall spending position at the end of month 10 and the change in year end projections from month 9 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 10	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Management	212	216	(4)	538	617	(79)
Community Admin	111	113	(2)	109	109	0
CnES Management and Admin	436	596	(160)	770	768	2
Housing Services	256	230	26	308	308	0
<b>Surplus/ (Deficit)</b>	<b>1,015</b>	<b>1,155</b>	<b>(140)</b>	<b>1,725</b>	<b>1,802</b>	<b>(77)</b>

3.1 The above table shows the spending position on the Chief Officer's management budgets. The year-end overspend against community management is due to a high risk efficiency saving not being achieved.

#### 4. Head of Locality Services

Head of Locality Services at Month 10	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Nursing	2,780	2,734	46	3,335	3,253	82
Community Hospitals	1,604	1,741	(137)	1,925	2,080	(155)
CnES Residential Care	3,564	3,422	142	4,276	3,900	376
Adult Care and Support Services	2,412	2,746	(334)	2,795	2,602	193
CnES Home Care	4,219	3,709	510	5,062	4,656	406
Adult Care Transport	103	93	10	123	125	(2)
Community Care	0	0	0	0	0	0
<b>Surplus/ (Deficit)</b>	<b>14,682</b>	<b>14,445</b>	<b>237</b>	<b>17,516</b>	<b>16,616</b>	<b>900</b>

- 4.1 The above table shows the spending position on the Head of Locality's budgets. There is an in year underspend of **£234k** and a projected underspend of **£900k**.
- 4.2 There is an in year overspend of **£137k** on Community Hospital Nursing and a projected overspend of **£155k** (**£159k** month 9). From 1 November 2017 strict controls have been put in place to activity 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 and is projected to underspend by **£406k** at the yearend (**£222k** at month 9). A review of homecare expenditure took place in month 10 and this has resulted in the underspend increasing by **£184k**. The underspend is due to in part to vacancies, lower mileage within the homecare service and savings associated with timing of implementing contracted workforce re-design and reablement teams.
- 4.4 There is a projected underspend against residential care of **£376k**. An exercise was undertaken at month 8 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** on adult care and support. This is due to new complex and transition packages not materialising at budgeted costs or not yet commenced.

## 5. Head of Partnership Services

Head of Partnership Services at Month 10	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Podiatry	370	399	(29)	434	457	(23)
Dietetics	154	154	0	185	182	3
Occupational Therapy	514	424	90	612	609	3
Physiotherapy	726	639	87	872	784	88
Community Care	1,466	1,466	0	1,759	1,759	0
Integration Funds	0	0	0	1,885	1,887	(2)
Criminal Justice	203	177	26	244	243	1
Assessment and Care Services	1,078	1,150	(72)	1,226	1,073	153
Commissioning and Partners	2,543	3,115	(572)	3,022	2,996	26
Adult Mainland Placements	1,298	1,317	(19)	1,508	1,531	(23)
<b>Surplus/ (Deficit)</b>	<b>8,352</b>	<b>8,841</b>	<b>(489)</b>	<b>11,747</b>	<b>11,521</b>	<b>226</b>

- 5.1 The above table shows the spending position on the Head of Partnership's budgets. There is a **£489k** in year overspend and **£226k** year end projected underspend.
- 5.2 There is a **£87k** underspend in year on physiotherapy and a projected outturn figure of **£88k** 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 **£153k** 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 at Month 10	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	189	179	10	227	219	8
General Dental Services	2,375	2,436	(61)	2,850	2,888	(38)
<b>Surplus/ (Deficit)</b>	<b>2,564</b>	<b>2,615</b>	<b>(51)</b>	<b>3,077</b>	<b>3,107</b>	<b>(30)</b>

- 6.1 The above table shows the spending position on the Head of Dental services budgets.
- 6.2 There is a **£51k** overspend in year due to the use of locum dentists and a **£30k** 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: at Month 10	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	297	241	56	372	313	59
Mental Health Consultants	338	412	(74)	406	472	(66)
Mental Health Nursing	1,560	1,620	(60)	1,871	1,943	(72)
<b>Surplus/ (Deficit)</b>	<b>2,195</b>	<b>2,273</b>	<b>(78)</b>	<b>2,649</b>	<b>2,728</b>	<b>(79)</b>

- 7.1 There is an in year overspend on Mental Health Consultants of **£74k** and a projected overspend of **£66k**. 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 **£111k** partially offset by underspends in CPNs of £40k. The overspends in the wards are due to bank use partly due to high sickness in Clisham.

## 8. Associate Medical Director

Associate Medical Director at Month 10	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Medical	208	207	1	249	249	0
GMS	5,129	5,128	1	6,284	6,283	1
GPS - Prescribing	4,986	5,142	(156)	5,784	5,930	(146)
FHS	1,398	1,397	1	1,961	1,961	0
Out of Hours	998	1,056	(58)	1,197	1,265	(68)
<b>Surplus/ (Deficit)</b>	<b>12,719</b>	<b>12,930</b>	<b>(211)</b>	<b>15,475</b>	<b>15,688</b>	<b>(213)</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 **£146k** 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.
- 8.2 Out of Hours is overspent **£58k** in year and is projected to overspend by **£68k** due to additional costs relating to forensic service, children's on call doctor and A&E doctor.

## 9. Alcohol and Drugs Partnership

Alcohol & Drugs Partnership at Month 10	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	449	449	0	530	531	(1)
<b>Surplus/ (Deficit)</b>	<b>449</b>	<b>449</b>	<b>0</b>	<b>530</b>	<b>531</b>	<b>(1)</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 at Month 10	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Acute Nursing	3,005	3,123	(118)	3,605	3,751	(146)
SLA - General Medicine	92	92	0	549	549	0
General Medical Consultants	533	624	(91)	640	751	(111)
Pharmacy	309	347	(38)	371	416	(45)
ECR - Adult Mental Health	309	545	(236)	371	680	(309)
<b>Surplus/ (Deficit)</b>	<b>4,248</b>	<b>4,731</b>	<b>(483)</b>	<b>5,536</b>	<b>6,147</b>	<b>(611)</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 **£483k** and a projected overspend of **£611k**.

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 **£118k** overspent in year and a **£146k** 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. Extreme winter pressure within Scotland in January 2018 had an adverse effect on controls the Board had put in place to reduce bank use.

10.4 There is an in year overspend on adult mental health placements of **£236k** and a projected overspend of **£309k**. This is due to continuing high cost placements at a secure unit and increase placements at NHS Units. The projection assumes the placements will remain for the full year.



## 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 10 Target £'000	Savings To date £'000	Projected Savings £'000	Surplus / (shortfall) £'000	Risk
Use of E Health Technology releasing time to care	Jon Harris	R	75	63	0	0	-75	H
Delete Band 5 vacant post Barra	Kathleen McCulloch	R	46	38	0	0	-46	H
Podiatry - stopping basic nail care - items of low value	Sarann MacPhee	R	25	21	0	0	-25	H
Savings on Drugs prescribed including increase in rebates	Kirsty Brightwell	R	215	179	100	142	-73	H
Podiatry - centralisation and Income generation	Sarann MacPhee	R	10	8	0	0	-10	H
The use of four additional fleet cars for travel savings b/f	Paul Dundas	R	10	8	0	0	-10	H
Additional Sickness Target 1%	Mike Hutchinson	R	14	11	0	0	-14	H
A reduction in overtime payments of 50% savings b/f	Paul Dundas	R	30	25	12	15	-15	H
Invest in group based support for people with learning disabilities and reduce the cost of bespoke packages	Paul Dundas	R	99	83	83	99	0	M
Diversification of income streams for Dietetics	Karen France	NR	6	5	0	6	0	M
Redesign of Dental Services	Colin Robertson	R	272	227	227	272	0	M
Third and independent sector partners to volunteer efficiency	Emma MacSween	R	10	0	0	10	0	M
Efficiencies within the incontinence service	Kathleen McCulloch	R	10	8	8	10	0	M
Reduce charging variation in dentists	Colin Robertson	R	10	8	8	10	0	M
Introduce our approved charging regime for social care services	Ron Culley	R	15	0	0	15	0	M
Redesign OT service by reducing capacity by one FTE	Sonia Smit	R	44	37	37	44	0	L
Targeted repatriation of Mainland placements -	Ron Culley	R	35	29	29	35	0	L
Repatriate mainland placements	Emma MacSween	R	50	42	42	50	0	L

Description	Lead Manager	R/NR	Total Savings	Month 10 Target	Savings Todate	Projected Savings	Surplus / (shortfall) /	Risk
			£'000	£'000	£'000	£'000	£'000	
Redesign Specialist Nursing	Kathleen McCulloch	R	25	21	21	25	0	L
Reduction in minor equipment	Ron Culley	R	10	8	8	10	0	L
GMS Les Des efficiencies	Ron Culley	R	9	8	8	9	0	L
National Procurement Efficiencies IJB	Kathleen McCulloch	R	25	21	21	25	0	L
Additional Sickness Target 1%	Ron Culley	R	143	119	119	143	0	L
Barra and Uist Non pay efficiencies	Kathleen McCulloch	R	10	8	8	10	0	L
Additional Sickness Target 1%	Colin Robertson	R	16	13	13	16	0	L
Opportunistic saving of 1% on CNES pay budgets	All	R	150	125	125	150	0	L
Vacant A&E HC assistant - 3 months	Lachlan Macpherson	R	6	6	6	6	0	L
Delete Band 6 Extended Scope Practitioner post within Physiotherapy	Sheila Nicolson	R	24	20	20	24	0	L
Podiatry - redesign senior podiatry post	Sarann MacPhee	R	4	3	3	4	0	L
Freeze Vacant B7 Eastside Post 6 months	Kathleen McCulloch	R	26	26	43	52	26	L
Freeze vacant B3 (0.3 WTE) Harris Post 12 Months	Kathleen McCulloch	R	10	8	8	10	0	L
Nursing Non pay efficiencies (Mixture of supplies and travel)	Kathleen McCulloch	R	25	21	21	25	0	L
Admin/PA review	Ron Culley	R	30	25	35	46	16	L

Description	Lead Manager	R/NR	Total Savings £'000	Month 10 Target £'000	Savings To date £'000	Projected Savings £'000	Surplus / (shortfall) / £'000	Risk
Efficiencies in Community Dental Services	Colin Robertson	NR	77	64	64	77	0	L
LDP Nurse - CPN Lewis and Harris - Freeze for 3 months	Mike Hutchinson	NR	10	10	29	35	25	L
Health Management budget efficiencies	Mike Hutchinson	R	22	18	18	22	0	L
Vacancy Freeze CPN Uist	Mike Hutchinson	R	9	8	27	32	23	L
CPN Non pay efficiencies	Mike Hutchinson	R	9	8	8	9	0	L
Reduce grant allocation to specific third sector bodies over two years	Emma MacSween	R	5	0	0	5	0	L
A reduction in sickness absence of 10% savings b/f	Paul Dundas	R	23	19	19	23	0	L
<b>Total Savings Plan as of Month 8</b>			<b>1,643</b>	<b>1,352</b>	<b>1,170</b>	<b>1,466</b>	<b>-177</b>	

11.1 The table above shows that at month 10 the Board has achieved £1,170k savings against a target of £1,352k. The Board is projected to achieve £1,466k of the identified cash savings. The chart at item 1.4 and the first part of this table above shows £425k of high risk saving.

## 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, **£425k** are currently rated as high risk and are unlikely to be achieved, this has been accounted for within the projected outturn.
- 12.3 Consultant medical staff sickness absence may incur expensive non NHS locum costs. The potential impact is **£50k** 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 **£50k**.

### 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.