



CÙRAM IS SLÀINTE NAN EILEAN SIAR

WESTERN ISLES HEALTH AND SOCIAL CARE PARTNERSHIP

Integrated Joint Board - Financial monitoring report for the 9 months to 31st December 2018

Introduction

The financial monitoring report provides an overview of the Integrated Joint Board's financial position at the end of December 2019. It contains the following sections:

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3. IJB Management and Administrative budgets
4. Head of Locality Services budgets
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1. Key Figures and Comments

Overall Position at Month 9	Year to Date			Full Year Projection			Month 8 Variance	Change
	Budget	Actual	Variance	Budget	Actual	Variance		
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000		
Revenue								
NHS Partner	28,979	29,313	(334)	39,331	40,408	(1,077)	(1,072)	(5)
Comhairle	12,887	12,519	368	19,325	18,895	430	430	0
General Reserves	0	0	0	0	(600)	600	600	0
Surplus/ (Deficit)	41,866	41,832	34	58,656	58,703	(47)	(42)	(5)

Variations

- 1.1 This report reflects the spend to date and explains any variances which have arisen in the first nine months of the year which are likely to have an impact on our year end outturn.
- 1.2 At 31 December 2018 the Board is showing an underspend of **£34k** and a projected year end overspend of **£47k** after a drawdown on general reserves (identified at 18/19 budget setting). The main areas of variation are as follows:
 - Homecare continues to underspend but the underspend will reduce by £111 to £301k by the year end due to the necessity of employing agency staff to fill hours of care. The underspend 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 and savings on car mileage. A review will take place in month 10 to ascertain the level of agency staff actually employed,
 - As of 31 December 2018 we are projecting a year end underspend of £547k for residential care due to £803k increased income from existing and backlog residential care assessments offset by higher staff costs which include the cost of sleepovers from 1 September 2018.
 - There is an in year overspend on mental health placements of **£244k** and a projected overspend of **£510k**. This is due to continuing adult high cost placements at a private secure unit (a 3rd case has just been admitted) plus a further case being transferred to a secure unit at Gartnavel in November. Projected discharges have not occurred and yearend projections assume the high cost referrals will continue.
 - There is an in year underspend on GP Prescribing of **£9k** and a yearend overspend projection of **£170k** (seasonal projection). This could increase depending on whether the saving on tariffs is achieved (£142k was taken off the Board's prescribing allocation on the back of a predicted £20m Scotland wide reduction in tariff for specific drugs) and the effect of winter pressures.

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- There is a high risk that delayed discharges will continue specifically in the medical wards which will result in higher bank costs to cover the staffing of contingency beds. At month 9 the overspend is **£140k** but is expected to rise to **£231k** by year end.
- There is a projected overspend of **£124k** under Community Care this is due to rates of some patients increasing above budget and includes an under accrual relating to the 17/18 year end placement change.

Vacancies and workforce demographics

- 1.3 The overall population within the Western Isles is expected to drop from the midpoint estimate in 2017 of 26,950 to 24,698 by 2027 and a further predicted decrease to 23,855 by 2037. By 2027 the elderly population (65+) is expected to rise by 44% and the 20-64 age population set to decrease by 17%. This decrease in workforce population has already starting to bite within the total Health and Social Care Partnership considerably.
- 1.4 The IJB has started monitoring vacancies and the effect it will have on the stability of the workforce and the increased cost of providing external locums where internal bank cannot be used, specifically within the NHS. The table below shows the vacancies per service area and the number of over 60+ employees within that area.
- 1.5 As can be seen by the following table (as of month 8) 10% of funded WTE posts are vacant and 14% of WTE in post are over 60, but as can be seen some services are far more vulnerable than others. The position at month 9 for homecare is an improving picture.

Month 8		As of 30 November 2018	Vacancies			Age Profile		Heads	
Staff in Post WTE	Head		WTE	Heads	Chg M7-8	60+ WTE	60+ Heads	Estab. Vacancy	In post 60+
75.70	98	Adult Services	8.80	15	⊗	9.10	12	13%	12%
151.40	207	Residential Services	8.37	14	⊗	29.30	37	6%	18%
120.20	165	Home Care & Reablement	19.37	36	⊗	22.80	32	18%	19%
8.40	9	Criminal Justice	0.39	1	😊	-	-	10%	0%
14.70	17	Strategic Commissioning & PS	0.68	1	😊	1.00	1	6%	6%
11.60	12	Assessment & Care Services L/H	1.00	1	😊	-	-	8%	0%
4.00	4	Assessment & Care Services U/B	-	-	😊	-	-	0%	0%
93.09	118	Acute Nursing IJB	4.59	9	😊	15.28	21	7%	18%
62.33	75	Community Nursing	4.75	8	⊗	11.37	13	10%	17%
42.53	48	Community Hospital	6.16	9	😊	6.65	8	16%	17%
43.67	50	Mental Health	4.20	5	😊	3.47	4	9%	8%
55.56	68	Dental	4.00	4	😊	0.60	1	6%	1%
56.75	71	AHP	4.21	5	⊗	2.37	3	7%	4%
739.93	942	Total	66.52	108		101.94	132	10%	14%

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Efficiency Savings

- 1.6 The Integrated Joint Board's cash efficiency target is £1,003k, this is the IJB required efficiency savings.
- 1.7 It is estimated that the IJB has already achieved savings of £569k, against the Financial Efficiency Plan (FEP) of £1,003 and at month 9 the Board is forecasting to achieve £831k of these savings. At month 9 £172k of these savings are forecast not to achieve.

Forecast Out turn

- 1.8 The Board at month 9 is forecasting a £47k overspend position at year end, this includes the provision set aside in general reserves for high cost mental health placements of £200k and £400k of other general reserves. The costs of sleepovers have been included within the projections but there has yet been no draw down of the corresponding funds allocated by the Government.
- 1.9 Both partners will be looking at all areas to see whether further savings can be made to ensure the Board breaks even over all.

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2. Income and Expenditure Summary

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

Income & Expenditure at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Chief Officer - Management	791	595	196	1,349	1,900	(551)
Head of Locality Services	12,841	11,749	1,092	18,312	17,271	1,041
Head of Partnership Services	7,597	8,199	(602)	11,579	11,683	(104)
Head of Dental Services	2,367	2,421	(54)	3,088	3,188	(100)
Head of Mental Health Services	1,962	1,986	(24)	2,615	2,560	55
Associate Medical Director	11,284	11,411	(127)	15,113	15,302	(189)
Alcohol and Drugs Partnership	417	393	24	642	642	0
Acute Set Aside	4,607	5,078	(471)	5,958	6,757	(799)
Reserves as per Investment Strategy	0	0	0	0	(600)	600
Total Net Cost	41,866	41,832	34	58,656	58,703	(47)

2.1 The above table shows the IJB's overall spending position at the end of 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 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Management	161	176	(15)	446	564	(118)
Community Admin	105	86	19	115	114	1
CnES Management and Admin	320	180	140	480	916	(436)
Housing Services	205	153	52	308	306	2
Surplus/ (Deficit)	791	595	196	1,349	1,900	(551)

3.1 The above table shows the spending position on the Chief Officer's management budgets. The yearend projected overspend in community management is due to previous years recurring saving still not being achieved which relates to making cash efficiencies from e Technology. Officers will be looking into how this saving maybe achieved over the coming months.

3.2 The overspend against CnES Management and Admin is due to removing the assumption we will need to draw down the amount of £400k from general reserves. The drawn down is being shown on the bottom line as it is likely the NHS Partner will need to draw down these reserves.

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4. Head of Locality Services

Head of Locality Services at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance	Budget	Actual	Variance
	£'000	£'000	under/ (over) £'000	£'000	£'000	under/ (over) £'000
Community Nursing	2,607	2,477	130	3,485	3,370	115
Community Hospitals	1,550	1,539	11	2,066	2,074	(8)
CnES Residential Care	2,866	2,530	336	4,298	3,751	547
Adult Care and Support Services	2,258	1,957	301	3,125	3,039	86
CnES Home Care	3,478	3,184	294	5,216	4,915	301
Adult Care Transport	82	62	20	122	122	0
Community Care	0	0	0	0	0	0
Surplus/ (Deficit)	12,841	11,749	1,092	18,312	17,271	1,041

- 4.1 The above table shows the spending position on the Head of Locality's budgets. There is an in year underspend of **£1,092k** and a projected underspend of **£1,041k**.
- 4.2 There is an in year underspend of **£130k** on Community Nursing and a projected underspend of **£115k**. Some of the underspend is due to unbudgeted income for specific posts.
- 4.3 Homecare continues to underspend but the underspend will reduce by £111 to £301k by the year end due to the necessity of employing agency staff to fill hours of care. The underspend 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 and savings on car mileage. A review will take place in month 10 to ascertain the level of agency staff actually employed.
- 4.4 As of 31 October 2018 we are projecting a year end underspend of £547k for residential care due to £803k increased income from existing and backlog residential care assessments offset by higher staff costs which include the cost of sleepovers from 1 September 2018.
- 4.5 Adult care and Support Services projected underspend of **£86k** is due to new complex and transition packages not yet commenced or being delivered at less than budgeted costs while still meeting service user outcomes.

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5. Head of Partnership Services

Head of Partnership Services at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Podiatry	351	359	(8)	468	456	12
Dietetics	131	140	(9)	175	189	(14)
Occupational Therapy	461	475	(14)	615	578	37
Physiotherapy	676	653	23	901	844	57
Community Care	1,319	1,138	181	1,759	1,883	(124)
Integration Funds	981	981	0	1,885	1,887	(2)
Criminal Justice	165	127	38	247	214	33
Assessment and Care Services	823	589	234	1,235	1,229	6
Commissioning and Partners	1,966	2,715	(749)	2,948	3,084	(136)
Adult Mainland Placements	724	1,022	(298)	1,346	1,319	27
Surplus/ (Deficit)	7,597	8,199	(602)	11,579	11,683	(104)

- 5.1 The above table shows the spending position on the Head of Partnership's budgets. There is a **£602k** in year overspend (due to the reversal of year end not yet matching invoices raised) and a **£104k** projected overspend.
- 5.2 Community Care is expected to be **£124k** overspend due to increase in some patients residential fees.
- 5.3 Commissioning and Partners are expected to be **£136k** overspend at year end because of revised increase to contract prices and additional costs due to purchasing external day care services.

6. Head of Dental Services

Head of Dental Services at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Dental inc. Oral Health	263	247	16	244	234	10
General Dental Services	2,104	2,174	(70)	2,844	2,954	(110)
Surplus/ (Deficit)	2,367	2,421	(54)	3,088	3,188	(100)

- 6.1 The above table shows the spending position on the Head of Dental services budgets.
- 6.2 There is a **£100k** overspend year end forecast partly due to the use of locum dentists. The allocation received in July for General Dental Services was reduced by 2% from the previous year, this has reduced the budget by £78k.

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7. Head of Mental Health Services

Head of Mental Health Services at Month 8	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	260	259	1	347	342	5
Mental Health Consultants	310	276	34	414	372	42
Mental Health Nursing	1,392	1,451	(59)	1,854	1,846	8
Surplus/ (Deficit)	1,962	1,986	(24)	2,615	2,560	55

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

7.2 The overspend in the Mental Health nursing is due to an in year overspend in Clisham and a projected overspend of **£54k**, this is offset by underspends in the CPNs. Due to the closure of Clisham there will be no bank from month 7 to month 12 which has resulting in the decreasing overspend.

8. Associate Medical Director

Associate Medical Director at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Community Medical	187	187	0	250	250	0
GMS	4,684	4,782	(98)	6,404	6,400	4
GPS - Prescribing	4,281	4,272	9	5,637	5,807	(170)
FHS	1,377	1,400	(23)	1,836	1,836	0
Out of Hours	755	770	(15)	986	1,009	(23)
Surplus/ (Deficit)	11,284	11,411	(127)	15,113	15,302	(189)

8.1 There is an in year underspend on GP Prescribing of **£9k** and a yearend overspend projection of **£170k** (seasonal projection). This could increase depending on whether the saving on tariffs is achieved (£142k was taken off the Board's prescribing allocation on the back of a predicted £20m Scotland wide reduction in tariff for specific drugs) and the effect of winter pressures.

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9. Alcohol and Drugs Partnership

Alcohol & Drugs Partnership at Month 8	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	417	393	24	642	642	0
Surplus/ (Deficit)	417	393	24	642	642	0

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

10. NHS Set Aside

Set Aside at Month 9	Year to Date			Full Year Projection		
	Budget	Actual	Variance under/ (over)	Budget	Actual	Variance under/ (over)
	£'000	£'000	£'000	£'000	£'000	£'000
Acute Nursing	2,794	2,934	(140)	3,724	3,955	(231)
SLA - General Medicine	549	549	0	549	549	0
General Medical Consultants	686	703	(17)	914	968	(54)
Pharmacy	288	358	(70)	384	388	(4)
ECR - Adult Mental Health	290	534	(244)	387	897	(510)
Surplus/ (Deficit)	4,607	5,078	(471)	5,958	6,757	(799)

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 **£471k** and a projected overspend of **£799k**.

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 There is an in year overspend on mental health placements of **£244k** and a projected overspend of **£510k**. This is due to continuing adult high cost placements at a private secure unit (a 3rd case has just been admitted) plus a further case being transferred to a secure unit at Gartnavel in November. Projected discharges have not occurred and yearend projections assume the high cost referrals will continue.

10.4 There is a high risk that delayed discharges will continue specifically in the medical wards which will result in higher bank costs to cover the staffing of contingency beds. At month 9 the overspend is **£140k** but is expected to rise to **£231k** by year end.

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

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

Ref. 9	Summary	DB Lead	R/NR	Year End Target £'000	Month 9 Target	Savings To Date	Projected Savings	Surplus (shortfall)	Risk
SC1	Third and independent sector efficiency	Head of Partnership Services	R	50	38	0	0	(50)	H
NHS12	Reduced sickness absence NHS staff	Chief Officer	NR	182	137	58	100	(82)	H
SC4	Introduce our approved charging regime for social care services and apply increases to existing charges	Chief Officer	R	30	23	0	0	(30)	H
SC6	Invest in fleet cars for the homecare workforce to reduce amount of travelling expenses	Head of Locality Services	R	10	8	0	0	(10)	H
SC3	Reduce the cost of bespoke high cost packages	Head of Partnership Services	R	115	86	86	115	0	M
SC5	Repatriate mainland placements	Head of Partnership Services	R	10	8	8	10	0	M
SC7	Opportunistic saving of 1% on CNES pay budgets	Chief Officer	R	150	113	113	150	0	M
SC9	Residential Care Income	Chief Officer	R	55	41	41	55	0	M
NHS10	Vacancy Efficiencies AHP	Head of Partnership Services	NR	30	23	23	30	0	M
NHS11	Mental Health Redesign/Vacancy Management	Associate Director Mental Health and Learning Disabilities	NR	23	0	0	23	0	M
NHS1	Redesign of school nursing capacity	Head of Locality Services	NR	10	8	8	10	0	L
NHS3	East side SCN frozen ahead of redesign	Head of Locality Services	R	60	45	45	60	0	L
NHS4	Specialist Nursing Redesign	Head of Locality Services	R	27	0	0	27	0	L
NHS5	Prescribing - increase in Rebates	Chief Officer	R	50	38	38	50	0	L
NHS6	Efficiencies in Community Dental Services	Director of Dental Services	R	77	58	58	77	0	L
NHS7	Efficiencies in Central/Local Decontamination	Director of Dental Services	R	43	32	32	43	0	L
NHS8	Rental Income generation within WI Dental Centre	Director of Dental Services	NR	18	14	14	18	0	L
NHS9	Vacant Post CN Westside Band 6 Freeze	Head of Locality Services	R	35	26	26	35	0	L
NHS13	Disestablish Vacant Chasp PA post	Chief Officer	R	18	14	14	18	0	L
NHS14	Freeze AHP Lead Band 6	Head of Partnership Services	NR	10	8	8	10	0	L
TOTAL DB Saving Plan				1,003	715	569	831	(172)	

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11.1 The table above shows that at month 7 the Board has achieved £569k savings against a target of £715k. The Board is projected to achieve £931k of the identified cash savings. The chart at paragraph 1.6 and the first part of this table above shows £272k of high risk saving.

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12. Financial Risks

There are many potential operational and strategic financial risks faced in achieving the financial plan for 2018/19 presented here.

Operational

- 12.1 The board is still holding a number of delayed discharges the majority of which are awaiting care home placement or social home care packages. 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 increased impact in 2018/19 is in excess of **£100k** and the risk is currently rated as medium as action is being taken to address within the Health and Social Care Partnership.
- 12.2 Year on year mental health placements both for adults are increasing. This area is at high risk of increasing **£75k** above the identified overspend projection.
- 12.3 There is a risk of GP prescribing to increase further if for example, certain drugs go on short supply and winter pressures are higher than the average. The potential impact is **£100k** and the risk is high.
- 12.4 Although the consultant workforce has stabilised through the use of cohorts employed through a direct engagement model this still leaves the consultant work force vulnerable. The potential impact is **£75k** and is rated medium.
- 12.5 There are increasing numbers vulnerable placements within Health and Social Care that are at risk of requiring intervention. The potential impact is **£50k** and this risk is rated as medium.

Strategic Risks

- 12.6 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, **£272k** are currently rated as high risk.
- 12.7 Demographics around the increase in the 80+ and the reduction in the workforce population by 2027 could impact on many of our services. This is not going to happen in 2027 but will steadily occur over the coming, months and years. The impact of the change in demographics will see the following; higher drugs cost, increased inpatient days, higher use of agency staff to fill vacancies, fragile homecare and adult services with high levels of vacancies and the possibility of high cost packages being required off island for example. The potential cost pressure would be over **£2m** and is a high risk but phased over a number of years. This year's financial risk is **£75k** and is rated medium as some of the financial risks are being picked up within the risks above.

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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.