



## Integration Joint Board 15th June 2023

**Subject:** **2022-23 – Year End Performance**

**Purpose:** To provide an overview of the IJB's financial performance for the year ended 2022-23 and the implications for the IJB's overall financial position including an update on the financial impact of the Covid-19 response.

**Recommendation:** It is recommended that the IJB:

- (a) notes the overall integrated financial performance for the financial year 2022-23 and the overall year-end underspend of £7.938m, adjusted to £3.719m after earmarking of funds which have been received for a specific purpose;
- (b) notes the updated costs of the Covid response and the funding received;
- (c) notes that outwith the IJB overall position, the £2.321m debt repayment has been made to North Ayrshire Council as planned;
- (d) approve the budget changes outlined at section 2.11; and
- (e) approve the proposed earmarking of the in-year surplus as detailed in the report, leaving a balance of £6.448m in free general fund reserves.

<b>Glossary of Terms</b>	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
MH	Mental Health
CAMHS	Child & Adolescent Mental Health Services
BRAG	Blue, Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
NRAC	NHS Resource Allocation Committee
GAE	Grant Aided Expenditure
PAC	Performance and Audit Committee
MARAC	Multi Agency Risk Assessment Conference
CEYP	Care Experienced Young People

<b>1.</b>	<b>EXECUTIVE SUMMARY</b>
1.1	This report provides an overview of the financial position for the partnership and outlines the unaudited year-end outturn position for 2022-23. The outturn is an overall year-end underspend of £7.938m, which when adjusted for new earmarked reserves of £4.219m is reduced to £3.719m.

1.2	<p>The last reported position to the IJB in March 2022 highlighted a projected underspend of £1.181m.</p> <p>Projecting the IJB financial position continued to be challenging during 2022-23 as there were a number of areas of uncertainty throughout the year e.g. pay awards, NCHC rate etc. These challenges will continue into 2023-24.</p>
1.3	<p>The main areas of pressure continued to be learning disability care packages, residential placements for children, supplementary staff in wards and Unplanned Activities (UnPACs) within the lead partnership for mental health.</p>
1.4	<p>The final unaudited IJB outturn position is adjusted to reflect the impact of Lead Partnership services. In line with the current risk sharing agreement for lead partnership services, an NRAC share of the projected position has been assumed as this would be in line with the allocation in previous years. The underspend in relation to North Lead Partnership services for Mental Health is not fully attributed to the North HSCP as a share has been allocated to East and South HSCPs, similarly the impact of the outturn on East and South led services has been shared with North.</p>
1.5	<p>Financial balance has been achieved in 2022-23 and whilst progress has been made to ensure the ongoing financial sustainability of the IJB, the 2023-24 budget highlights several areas of significant risk. Financial modelling also anticipates a very challenging position in subsequent years.</p>
<b>2.</b>	<b>2022-23 UNAUDITED BUDGET OUTTURN POSITION</b>
2.1	<p>The report provides an overview of the financial position for the partnership and outlines the unaudited year-end outturn position for 2022-23.</p> <p>The report includes the following:</p> <ul style="list-style-type: none"> <li>• Explanations of main areas of variance;</li> <li>• Update on progress with savings delivery;</li> <li>• Budget changes requiring IJB approval;</li> <li>• Impact of the outturn on IJB reserves position;</li> <li>• Lead partnerships and the impact of risk sharing; and</li> <li>• Detail of the funding and costs of the Covid-19 response.</li> </ul>
<b>2.2</b>	<b>FINANCIAL OUTTURN</b>
	<p>Against the full-year budget of £283.948m there is a reported underspend of £7.938m pre-earmarking. The Integration Scheme outlines that there is an expectation that the IJB take account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of an underspend of £5.065m in social care services and an underspend of £2.873m in health services. This position is before the earmarking of funds for use in future years.</p> <p>Appendix A provides the financial overview of the partnership position, this details the outturn on an HSCP managed basis, on an IJB delegated basis (following Lead Partnership recharge adjustments) and the final adjusted outturn position after accounting for new earmarked reserve balances.</p>

	The sections that follow outline the most significant variances in service expenditure compared to the approved budgets.
2.3	<p><b>Health and Community Care Services</b></p> <p>Against the full-year budget of £85.261m there is an overspend, pre-earmarking, of £0.025m (0%) and the main variances are:</p> <p>a) Care home placements including respite placements (net position after service user contributions and charging order income) are underspent by £0.872m. This includes the backdated increase for care homes providing nursing care to reflect the increase in the pay settlement for registered nursing staff from 3% to 7.17% which cost an additional £0.165m.</p> <p>The budgeted number of permanent placements is 778 – the number of actual placements changed throughout the year but at month 12 there were 771 placements.</p> <p>The level of income recovered from charging orders was over-recovered by £0.510m.</p> <p>b) Interim Care Funding has underspent by £0.206m.</p> <p>c) Care at home (in house and purchased) underspent by £0.118m. The position is made up of an underspend in purchased care at home (as providers are not always able to accept referrals due to staffing / recruitment issues) and an overspend in the in-house service. As there are vacant posts some of the current capacity is being met by existing staff working additional hours and casual staff. Bank staff are being offered contracts and additional staff are being recruited which will replace the need for existing staff to work additional hours.</p> <p>d) Community alarms underspent by £0.078m.</p> <p>e) Reablement services are underspent by £0.221m which reflects the level of vacant posts within the service.</p> <p>f) Care at Home Charging Income is online after applying £0.150m of covid funding. The underlying under-recovery of income is likely to continue into 2023/24 due to an ongoing shift towards personal care which is non chargeable.</p> <p>g) Physical Disability Care Packages (including residential and direct payments) – there was an overspend of £0.030m in direct payments and £0.262m for residential placements partially offset with a small underspend of £0.037m in community care packages. The overspend in direct payments reduced which is the impact of a full review of all direct payments cases resulting in some material ‘clawbacks’ of funds.</p> <p>h) Purchased day care underspent by £0.089m due to a revised contract.</p> <p>i) Anam Cara overspent by £0.058m due to covering vacancies and sickness absence.</p>

	<p>j) Integrated Island Services is £0.481m overspent which is mainly due to additional accommodation costs for mainland staff working at Montrose House due to local recruitment challenges and additional agency costs to ensure the required staffing levels. The purchase of staff accommodation in Brodick, which opened in May 2023, is expected to significantly reduce these costs in 2023/24.</p> <p>k) Adaptations underspent by £0.084m.</p> <p>l) District Nursing is overspent by £0.162m due to an overspend on supplies and reduced national uplift funding.</p> <p>m) Rehab wards are overspent by £0.480m (Redburn ward £0.407m overspent and Douglas Grant £0.073m overspent). The overspend at Redburn is due to cover costs for vacancies as well as supplementary staffing for patients who require one to one support. Both wards also incurred costs in relation to the band 2 to band 3 regrade. Budgetary provision has been made for the regrade in 2023/24.</p> <p>n) Wards 1 and 2 overspent by £0.420m (ward 1 £0.168m overspend and ward 2 £0.252m overspend) due to increased use of supplementary staffing and the impact of the band 2 to band 3 regrade. Budgetary provision has been made for the regrade in 2023/24.</p> <p>o) Cumbrae Lodge Continuing Care beds underspent by £0.178m due to a reduced charge to reflect the reduction in beds used during the transition to the new service.</p>
2.4	<p><b>Mental Health Services</b></p> <p>Against the full-year budget of £96.133m there is an underspend of £3.402m (3.5%). This includes the underspend on the Mental Health Recovery and Renewal Funding of £1.170m which will be earmarked for use in 2023-24. The main variances are:</p> <p>a) Learning Disabilities overspent by £1.249m and the main variances are:</p> <ul style="list-style-type: none"> <li>• Care Packages (including residential and direct payments) - overspend of £0.385m in direct payments and £0.540m for residential placements partially offset by an underspend of £0.044m in community packages. Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. The data from CM2000 will be reported back to the service to allow them to see where care has deviated from the planned level and focus reviews to those areas.</li> <li>• Trindlemoss non-employee costs are underspend by £0.222m. This partly relates to budgets set aside for the running costs of the pool.</li> </ul> <p>b) LD Staff Agency Costs overspent by £0.161m due to the need to maintain services during difficulties in recruiting.</p> <p>c) Supported Accommodation overspent by £0.120m in relation to transition costs for service users at the Stevenson supported accommodation. These are additional costs during the settling in period.</p>

- d) Community Mental Health services are underspent by £1.079m which is mainly due to an underspend of £0.879m in community packages (including direct payments) and an underspend in residential placements of £0.148m.
- e) The Alcohol and Drugs partnership underspent by £0.715m but this includes £0.891m of funding carried forward from 2021/22. This full underspend will be earmarked for use in future years.
- f) The Lead Partnership for Mental Health is £2.802m underspent prior to earmarking and £1.321m after earmarking. The main variances are as follows:
- An overspend of £0.589m in Adult Inpatients. This overspend is mainly due to overspend in supplementary staff, staff in redeployment, reduced bed sale income and provision for the band 2 to band 3 regrade.
  - The UNPACS (Unplanned Activities) budget is overspent by £1.503m. These placements are for individuals with very specific needs that require a higher level of security and/or care from a staff group with a particular skill set/competence. There are no local NHS secure facilities for women, people with a learning disability or people with neurodevelopmental disorder. This can necessitate an UNPACS placement with a specialist provider which can be out-of-area. The nature of mental health UNPACS spend is that it is almost exclusively on medium or long term complex secure residential placements which are very expensive so a small increase in placements can have a high budgetary impact. Due to the complexity and risk involved, transitions between units or levels of security can take many months. Applications to approve a placement are made to the Associate Medical Director for Mental Health who needs to be satisfied that the placement is appropriate and unavoidable prior to this being agreed.
  - MH Pharmacy overspent by £0.019m due to an increase in substitute prescribing costs. This is the position after drawing £0.100m of Buvidal funding held in reserves.
  - Learning Disability Services overspent by £0.223m. This is mainly due to high usage of supplementary staffing, cross-charging for a LD patient whose discharge has been delayed and redeployment staffing costs. Supplementary staffing costs relate to backfill for sickness, increase and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis however, due to the individuals being acutely unwell at present, this level of enhanced observations has been maintained for a lengthy period of time. The outturn includes cross charging another HSCP for the ongoing costs of the person detailed above where, despite having extensive time to identify an alternative placement there has been no solution identified.
  - Elderly Inpatients overspent by £0.403m mainly due to the use of supplementary staffing and provision for the band 2 to band 3 regrade.
  - The Innovation Fund is underspent by £0.210m due to recruitment slippage within some of the projects and not all of the funding was allocated.
  - CAMHS underspent by £2.176m of which £0.592m relates to payroll turnover on the main CAMHS budget and £1.584m relates to an underspend on the additional Scottish Govt funding. This £1.584m will be earmarked and carried forward for use in 23-24.
  - The turnover target for vacancy savings for the Lead Partnership is held within the Lead Partnership as this is a Pan-Ayrshire target. There is an over-

recovery of the vacancy savings target of £1.857m in 2022-23, further information is included in the table below:

Vacancy Savings Target	(£0.481m)
Achieved at March 2023	£2.338m
Over/(Under) Achievement	£1.857m

The areas contributing to this vacancy savings position are noted below:

- Adult Community Health services £0.183m
- CAMHS £0.592m
- Mental Health Admin £0.468m
- Psychiatry £0.158m
- Psychology £0.873m
- Associate Nurse Director £0.064m

2.5

## **Children and Justice Services**

### **Children's Services**

Against the full-year budget of £38.076m there is an overspend of £2.214m (5.8%). The main variances are:

a) Care Experienced Children and Young People overspent by £2.950m and the main areas within this are noted below:

- Children's residential placements overspent by £3.270m prior to Covid funding and overspent by £2.200m after £1.170m of Covid funding. We started 22/23 with 23 placements and there are currently 32 placements. This financial risk will continue into 2023/24.
- Fostering placements underspent by £0.190m. This is based on the budget for 115 places and 114 placements at the year-end (of which 6 are Covid related and are funded through the Covid-19 funding).
- Fostering Xtra placements underspent by £0.038m.
- Private Fostering placements are £0.096m underspent based on the budget for 17 placements and 12 placements at the year end.
- Kinship placements are £0.125m underspent based on the budget for 376 places and 351 placements at the year end.
- Adoption placements overspent by £0.088m which is based on the budget for 56 places and 62 actual placements. This also reflects the unachieved saving of £0.060m.

b) Whole Family Wellbeing Fund - underspent by £0.804m which will be earmarked for use in 2023/24.

c) Unaccompanied Asylum-Seeking Children (UASC) – income over-recovery of £0.169m but this only partially offsets spend in other areas.

d) Children with disabilities – residential placements overspent by £0.559m. This is based on an increased number of placements (11) which are expected to continue into 2023/24.



	<p>e) Residential respite – placements are overspent by £0.450m. These short-term placements are used to prevent an admission to full residential care. There are no placements at the year end.</p> <p>f) CEYP Team Employee Costs - overspent by £0.319m which includes £0.203m within the children's houses, this is after applying £0.164m of covid funding.</p> <p>g) Roslin House overspent by £0.188m which reflects the current contract costs.</p>
2.6	<b>ALLIED HEALTH PROFESSIONALS (AHP)</b>
	AHP services underspent by £0.069m due to underspends in non-employee costs.
2.7	<b>CHIEF SOCIAL WORK OFFICER</b>
	There is an underspend of £1.704m due to an underspend in the Carers Strategy funding.
2.8	<b>MANAGEMENT AND SUPPORT</b>
	<p>Management and Support Services are underspent by £6.113m and the main areas of underspend are:</p> <ul style="list-style-type: none"> <li>• An over-recovery of payroll turnover of £2.465m for social care services and an over-recovery of payroll turnover of £0.709m for health services as detailed in the table below.</li> <li>• The in-year reduction in National Insurance contributions has resulted in a part year saving to the Non-Lead Partnership of £0.148m which is included in the outturn for Management and Support. The £0.150m saving in relation to social care was spread across all of the services and has contributed to the payroll turnover achieved.</li> <li>• The additional saving in LD day care employee costs of £0.169m has transferred to the HSCP strategy code and is an approved saving for 2023/24.</li> <li>• There was one-off slippage on the LD and MH transition funding of £0.517m due to delays in children transitioning into adult services.</li> <li>• The 2022-23 budget included a budgeted surplus on the social care side offset by a budgeted deficit on the health side of the budget. The net impact is neutral but Appendix A will show this position for each element.</li> <li>• There is an underspend of £0.300m in relation to the planned redesign of the West Road building and this will be earmarked for use in 2023/24.</li> <li>• Scottish Government Allocations have underspent by £1.457m and are partially earmarked for use in 2023-24.</li> </ul> <p>The turnover targets and projected achievement for the financial year for Health and Social Care services out with the Lead Partnership is noted below:</p>

	<b>Social Care</b>	<b>Health Services</b>
Vacancy Savings Target	(2.014m)	(1.183m)
Actual Achieved to March 2023	4.479m	1.892m
<b>Over/(Under) Achievement</b>	<b>2.465m</b>	<b>0.709m</b>

The turnover achieved is higher than usual as the 22/23 budget included investment in various areas of staffing and these posts were not fully recruited to at the start of the year.

The areas contributing to the health and social care vacancy savings are spread across a wide range of services with vacancy savings being achieved in most areas. The main areas at month 12 are:

- Learning Disability £0.523m
- Management and Support £0.752m
- Community Care Service Delivery £0.707m
- Rehab and Reablement £0.434m
- Locality Services £0.401m
- Integrated Island Services £0.414m
- Community Mental Health £0.242m

There have been no intentional plans to pause or delay recruitment and services have actively continued to recruit; in some service areas it has proven difficult to fill posts.

The turnover target for the North Lead Partnership for Mental Health services is detailed within the Lead Partnership information at section 2.4.

## 2.9 LOCAL AUTHORITY PAY AWARD SHORTFALL

The agreed local government pay award was not fully funded. The total cost of the pay award was £4.384m against the budgeted increase of £2.077m. The additional cost of £2.307m will be partially met by additional recurring Scottish Government funding of £1.866m and the gap of £0.441m was an in-year overspend with the recurring cost being factored into the 23/24 budget.

There is also an additional cost in relation to the additional day of leave as some frontline posts will require to be covered during this leave. The annual estimated cost of this is £0.120m and it is included in the 22/23 outturn.

## 2.10 Savings Progress

a) The approved 2022-23 budget included £0.683m of savings.

<b>BRAG Status</b>	<b>Position at Budget Approval £m</b>	<b>Position at Month 12 £m</b>
<b>Red</b>	-	0.060
<b>Amber</b>	0.060	-
<b>Green</b>	0.623	-
<b>Blue</b>	-	0.623
<b>TOTAL</b>	<b>0.683</b>	<b>0.683</b>



	<p>b) The main area to note is that red savings of £0.060m relating to adoption allowances were not achieved but this is accounted for in the outturn. The review of allowances is complete, but the benefit will not be realised until future years as the changes will only apply to future cases.</p>
2.11	<p><b>Budget Changes</b></p> <p>The Integration Scheme states that <i>“either party may increase it’s in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the Integration Joint Board nor Services managed on a Lead Partnership basis.... without the express consent of the Integration Joint Board.”</i></p> <p>Appendix D highlights the movement in the overall budget position for the Partnership following the initial approved budget.</p> <p><b>Reductions Requiring Approval:</b></p> <ol style="list-style-type: none"> <li>1) Transfer to capital re accommodation £0.800m</li> <li>2) Transfer to HR re temporary post for care at home recruitment £0.020m</li> <li>3) Justice Services – additional income per updated finance circular £0.080m</li> <li>4) Reduction in the net resource transfer position (Covid underspend payback £11.390m).</li> <li>5) MH Admin Posts to East £0.006m</li> <li>6) Training Grade adjustment £0.007m</li> <li>7) Alcohol Brief Intervention - transfer to East HSCP to provide a GP service £0.010m</li> <li>8) Medical Discretion Point Funding – reduction for staff who have left post £0.013m</li> <li>9) Methadone – funding transferred to East GP led service £0.034m</li> <li>10) Learning Disability – funding transferred to East – Alloway Practice £0.008m</li> <li>11) MH Outcomes Allocation reduced to match the award letter £0.383m</li> <li>12) Perinatal Mental Health allocation reduce to match the award letter £0.146m</li> <li>13) CAMHS reduced to match the award letter £0.762m</li> </ol>
2.12	<p><b>NHS – Set Aside and Pan Ayrshire Services</b></p> <p><u>Lead Partnerships:</u>  The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. The outturn for all Lead Partnership services is shared across the 3 Partnerships on an NRAC basis; this position is currently the default pending further work to develop a framework to report the financial position and risk sharing across the 3 Partnerships in relation to hosted or lead service arrangements, which was delayed by the requirement to focus efforts on the Covid response but has now recommenced.</p> <p>The final outturn in relation to North Lead Partnership services is not fully attributed to the North IJB as a share is allocated to East and South Partnerships; similarly, the impact of the outturn on East and South led services is shared with North. At Month 12 the Mental Health lead partnership is underspent by £2.802m (£1.013m NRAC share for East and £0.809m for South).</p>

**East HSCP** – prior to earmarking, there is an overall underspend of £1.970m in East Ayrshire managed services of which £0.513m will be allocated to North.

#### Primary Care and Out of Hours Services (Lead Partnership)

On a managed services basis, there is an underspend of £1.736m on the Primary Care Lead Partnership budget. This includes a net overall underspend of £0.374m on the Primary Care Improvement Fund which has been earmarked for carry-forward on an actual spend basis at individual IJB level. The £1.110m underspend in Dental services includes savings due to reduced service provision with an anticipated increase in staffing costs going forward. This 2022/23 underspend reduced Childsmile costs, which will be earmarked for carry-forward on an individual IJB basis.

#### Prison and Police Healthcare (Lead Partnership)

The £0.215m underspend is largely due to net staffing savings. In addition, the medical contracts at both Prison and Police have reduced and contributes to the underspend.

#### Other Lead Services

The £0.020m underspend wholly relates to less than budgeted Marie Curie care and support services.

**South HSCP** – overspend of £0.139m of which £0.051m will be allocated to North. The overspend is mainly due to an overspend in the community store and continence service offset by vacancies in the Family Nurse Partnership.

**Set Aside:** NHS Ayrshire and Arran were able to inform the 22/23 Set Aside with local activity data for 22/23. Whilst a proposed pricing methodology using budgetary information has been developed, Ayrshire Finance Leads agreed to use historic pricing for consistency with prior year's annual accounts.

	2022/23 NRAC Share	2022/23 NRAC Share	2022/23 Spend	2022/23 Variance
	%	£	£	£
East	31.90%	28,543,045	26,555,104	1,987,941
North	36.80%	32,917,081	32,267,475	649,606
South	31.30%	27,988,464	30,626,010	(2,637,546)
<b>Total</b>	<b>100.00%</b>	<b>89,448,590</b>	<b>89,448,590</b>	<b>0</b>

The directorate overspent by £18.7m, caused by increasing overspends on agency medical and nursing staff, together with increasing drug expenditure. These have been required due to the level of operational pressure being experienced, in common with many other areas in Scotland. COVID-19 spend exceeded funding by £4.2 million, with the majority of this being incurred within the Acute Directorate.

There is an ongoing and material underlying deficit caused by:

- Unachieved efficiency savings
- High expenditure on medical and nursing agency staff, high rates of absence and vacancies causing service pressure.

- High numbers of delayed discharges and high acuity of patients.

The IJBs and the Health Board continue to work closely in partnership to maintain service and improve performance.

## 2.14 COVID-19 – FINANCE MOBILISATION PLAN IMPACT

### Summary of position

From the outset of the pandemic the HSCP acted very swiftly to respond and developed a mobilisation plan detailing the additional activities to support our response, alongside the estimated financial impact. Financial returns were submitted to the Scottish Government on a regular basis during 2020-21, 2021-22 and 2022-23, on the premise that any additional costs aligned to mobilisation plans would be fully funded. Covid funding of £13.321m was carried forward from 2021-22 for use in services delegated to the Partnership during 2022-23 and the costs outlined below have been met from this funding. The unused funding has been reclaimed by the Scottish Government and redistributed to Health Boards for Covid-related costs in non-delegated services.

## 2.15 Mobilisation Plan and Funding Position

The initial month 3 mobilisation plan cost submission was submitted in July and estimated the costs to be £4.067m to March 2023. The changes since month 3 are summarised in the table below:

Service Area	Initial Month 3 Return £m	Month 4 Return £m	Month 5 Return £m	Months 6,7,8,9 Returns £m	Month 10 Return £m	Month 12 Return £m
Payments to Providers	1.100	1.100	1.953	2.143	2.143	1.237
PPE	0.418	0.418	0.419	0.326	0.265	0.251
Additional Staff	1.317	1.317	1.315	1.318	1.318	1.285
Loss of Income	0.246	0.246	0.246	0.210	0.210	0.361
Children & Families	0.957	0.957	0.957	1.107	1.107	1.384
Other Areas	0.029	0.029	0.015	0.015	0.015	0.049
<b>TOTAL</b>	<b>4.067</b>	<b>4.067</b>	<b>4.905</b>	<b>5.119</b>	<b>5.058</b>	<b>4.567</b>

Based on the projected spend, £8.648m of funding has now been reclaimed by Scottish Government and the small remaining balance has been earmarked to repay the balance in 2023-24 when the final reconciliation and balancing adjustment will be conducted.

## 2.16 Provider Sustainability Payments and Care Home Occupancy Payments

COSLA Leaders and Scottish Government agreed an approach to supporting the social care sector to ensure that reasonable additional costs were met during the pandemic. We have made payments to commissioned social care providers in line

with the agreed national principles for sustainability and remobilisation payments to social care providers during COVID 19.

**Care Home Occupancy Payments** - The Scottish Government ceased these payments at the end of October 2021 but exceptions were made following the Omicron outbreak and limited payments were made to eligible care homes. Meetings were held with each care home to discuss ongoing sustainability and to provide support.

**Sustainability payments** – the most recent guidance issued in September 2022 continued the reduced the scope of what providers can claim for and also outlined deadlines for claims to be submitted. The main costs that could be claimed relate to testing and vaccination and this is extended to 31<sup>st</sup> March 2023. The Social Care Staff Support Fund was also extended to 31<sup>st</sup> March 2023 (previously to 30<sup>th</sup> September 2022).

The breakdown of payments made in 2022-23 are shown in the tables below:

<b>PROVIDER SUMMARY</b>	<b>NCHC Care Homes</b>	<b>Other</b>	<b>Total</b>
Total Number of Providers	17	49	66
Number contacting NAC	17	15	32
Providers Supported to date	17	15	32

<b>SUPPORT PROVIDED</b>	<b>NCHC Care Homes</b>	<b>Other Services</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Occupancy Payments	66,210	0	66,210
Staffing	607,292	230,325	837,617
PPE, Infection Control	147,060	38,682	185,742
Other	141,071	6,401	147,472
<b>TOTAL</b>	<b>961,633</b>	<b>275,408</b>	<b>1,237,041</b>

Both the care home occupancy and sustainability payment funding has ceased and there will be no further Covid funding in 2023-24.

## 2.17 **RESERVES**

The IJB reserves position is summarised in the table below with full detail given in Appendix B.

The full outstanding debt to North Ayrshire Council of £2.321m has now been repaid; the increased payment was funded by a transfer of budget from the Council so there was no detriment to the IJB financial position.

The 'free' general fund balance of £6.448m is held as a contingency balance, this equates to around 2.3% of the IJB budget for 2022-23 which is within, but towards the lower end, of the target range of 2%-4%.

	General Fund Reserves		Earmarked Reserves		Total
	Debt to NAC	Free GF	External Funding £m	HSCP	
	£m	£m	£m	£m	
<b>Opening Balance - 1 April 2022</b>	<b>(2.321)</b>	<b>7.248</b>	<b>23.805</b>	<b>0.500</b>	<b>29.232</b>
<b>Transfers Out</b>	<b>2.321</b>	<b>(0.800)</b>	<b>(21.027)</b>	<b>-</b>	<b>(19.506)</b>
<b>Transfers In</b>	<b>-</b>	<b>-</b>	<b>4.219</b>	<b>3.719</b>	<b>7.938</b>
<b>Closing Balance – 31 March 2023</b>	<b>-</b>	<b>6.448</b>	<b>6.997</b>	<b>4.219</b>	<b>17.664</b>

It is proposed that the in-year surplus of £3.719m is earmarked as follows:

- £2.000m will be earmarked to support the financial position in 2023-24. IJB members are aware that a balanced budget was agreed in March; however, the financial position remains extremely challenging and work is required to bring a number of budget lines back into financial balance, most notably the high number of children's residential placements.
- £1.719m will be earmarked to create a Service Redesign and Change Fund. This will support the work which will be required to transform services to meet future financial challenges and to fund any costs associated with the Council's Voluntary Early Release (VER) scheme for staff employed within the Partnership. The £0.500m currently earmarked in a 'Challenge Fund' will be added to this to create a total Service Redesign and Change Fund of £2.219m.

It is also worth reiterating that in March 2023 the IJB approved the use of £1.252m of currently earmarked reserves to support a balanced budget position for 2023-24.

### 3. PROPOSALS

#### 3.1 Anticipated Outcomes

The focus during the year was to ensure the final outturn position was at least online for core service delivery whilst closely monitoring the additional Covid costs.

This was achieved and the overall debt owed to the Council has been repaid.

The transformational change programme will have the greatest impact on the financial sustainability of the partnership, the IJB require to have a clear understanding of progress with plans and any actions that can be taken to bring the change programme into line, including the impact of the Covid response financially and on the delivery of the transformation plan.

#### 3.2 Measuring Impact

The position reported is the unaudited year-end outturn position for 2022-23, further information will also be contained within the unaudited IJB annual accounts. Ongoing updates to the financial position including the reserves position will be reported to the IJB throughout 2023-24.

<b>4.</b>	<b>IMPLICATIONS</b>	
<b>Financial:</b>	The outturn is a year-end underspend of £3.719m after earmarking £4.219m of funds for future use and this is also after £2.321m of debt repayment budget back to the Council. The main areas of overspends and underspends are highlighted in the report.	
<b>Human Resources:</b>	The report highlights vacancy or turnover savings achieved in 2022-23. Services will review any staffing establishment plans and recruitment in line with normal practice when implementing service change and reviews as per agreement with the IJB; there is no intention to sustain this level of staffing capacity reduction on a recurring or planned basis.	
<b>Legal:</b>	None	
<b>Equality:</b>	None	
<b>Children and Young People</b>	None	
<b>Environmental &amp; Sustainability:</b>	None	
<b>Key Priorities:</b>	None	
<b>Risk Implications:</b>	The report falls in line with the agreed risk appetite statement which is a <b>low</b> -risk appetite in respect to adherence to standing financial instructions, financial controls and financial statutory duties and a <b>high</b> -risk appetite in relation to finance and value for money.	
<b>Community Benefits:</b>	None	
<b>Direction Required to Council, Health Board or Both</b>	Direction to: -	
	1. No Direction Required	
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	√

<b>5.</b>	<b>CONSULTATION</b>	
5.1	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>The IJB financial monitoring report is shared with the NHS Ayrshire and Arran Director of Finance and North Ayrshire Council's Head of Finance after the report has been finalised for the IJB.</p>	



<b>6.</b>	<b>CONCLUSION</b>
6.1	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance for the financial year 2022-23 and the overall year-end underspend of £7.938m, adjusted to £3.719m after earmarking of funds which have been received for a specific purpose;</p> <p>(b) notes the updated costs of the Covid response and the funding received;</p> <p>(c) notes that outwith the IJB overall position, the £2.321m debt repayment has been made to North Ayrshire Council as planned;</p> <p>(d) approve the budget changes outlined at section 2.11; and</p> <p>(e) approve the proposed earmarking of the in-year surplus as detailed in the report, leaving a balance of £6.448m in free general fund reserves.</p>

**For more information please contact:**

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#### Appendices

- A) 2022-23 Budget Monitoring Report– Objective Summary as 31 March 23
- B) Reserves Position in Detail
- C) 2022-23 Savings Tracker
- D) 2022-23 Budget Reconciliation

2022-23 Budget Monitoring Report–Objective Summary as at 31<sup>st</sup> March 2023

## Appendix A

Partnership Budget - Objective Summary	2022/23 Budget								
	Council			Health			TOTAL		
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>COMMUNITY CARE AND HEALTH</b>	<b>66,330</b>	<b>65,496</b>	<b>(834)</b>	<b>18,931</b>	<b>19,790</b>	<b>859</b>	<b>85,261</b>	<b>85,286</b>	<b>25</b>
: Locality Services	27,983	27,086	(897)	5,870	6,050	180	33,853	33,136	(717)
: Community Care Service Delivery	33,596	33,222	(374)	0	0	0	33,596	33,222	(374)
: Rehabilitation and Reablement	1,782	1,696	(86)	0	0	0	1,782	1,696	(86)
: Long Term Conditions	1,078	1,184	106	10,165	10,789	624	11,243	11,973	730
: Community Link Workers	183	174	(9)	0	0	0	183	174	(9)
: Integrated Island Services	1,708	2,134	426	2,896	2,951	55	4,604	5,085	481
<b>MENTAL HEALTH SERVICES</b>	<b>28,807</b>	<b>28,272</b>	<b>(535)</b>	<b>67,326</b>	<b>64,459</b>	<b>(2,867)</b>	<b>96,133</b>	<b>92,731</b>	<b>(3,402)</b>
: Learning Disabilities	21,191	22,441	1,250	467	466	(1)	21,658	22,907	1,249
: Community Mental Health	5,969	4,890	(1,079)	1,725	1,687	(38)	7,694	6,577	(1,117)
: Addictions	1,647	941	(706)	1,695	1,669	(26)	3,342	2,610	(732)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	63,439	60,637	(2,802)	63,439	60,637	(2,802)
<b>CHILDREN &amp; JUSTICE SERVICES</b>	<b>33,731</b>	<b>35,947</b>	<b>2,216</b>	<b>4,345</b>	<b>4,343</b>	<b>(2)</b>	<b>38,076</b>	<b>40,290</b>	<b>2,214</b>
: Irvine, Kilwinning and Three Towns	3,044	3,104	60	0	0	0	3,044	3,104	60
: Garnock Valley, North Coast and Arran	3,086	2,226	(860)	0	0	0	3,086	2,226	(860)
: Intervention Services	1,703	1,553	(150)	356	356	0	2,059	1,909	(150)
: Care Experienced Children & Young people	22,005	24,955	2,950	0	0	0	22,005	24,955	2,950
: Head of Service - Children & Families	1,366	1,423	57	0	0	0	1,366	1,423	57
: Justice Services	2,310	2,471	161	0	0	0	2,310	2,471	161
: Universal Early Years	217	215	(2)	3,566	3,564	(2)	3,783	3,779	(4)
: Lead Partnership NHS Children's Services	0	0	0	423	423	0	423	423	0
<b>CHIEF SOCIAL WORK OFFICER</b>	<b>2,570</b>	<b>866</b>	<b>(1,704)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,570</b>	<b>866</b>	<b>(1,704)</b>
<b>PRIMARY CARE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51,357</b>	<b>51,277</b>	<b>(80)</b>	<b>51,357</b>	<b>51,277</b>	<b>(80)</b>
<b>ALLIED HEALTH PROFESSIONALS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,532</b>	<b>9,463</b>	<b>(69)</b>	<b>9,532</b>	<b>9,463</b>	<b>(69)</b>
<b>COVID NHS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>853</b>	<b>850</b>	<b>(3)</b>	<b>853</b>	<b>850</b>	<b>(3)</b>
<b>MANAGEMENT AND SUPPORT COSTS</b>	<b>3,946</b>	<b>(262)</b>	<b>(4,208)</b>	<b>(3,780)</b>	<b>(5,851)</b>	<b>(2,071)</b>	<b>166</b>	<b>(6,113)</b>	<b>(6,279)</b>
<b>OUTTURN ON A MANAGED BASIS</b>	<b>135,384</b>	<b>130,319</b>	<b>(5,065)</b>	<b>148,564</b>	<b>144,331</b>	<b>(4,233)</b>	<b>283,948</b>	<b>274,650</b>	<b>(9,298)</b>
Return Hosted Over/Underspends East	0	0	0	0	1,013	1,013	0	1,013	1,013
Return Hosted Over/Underspends South	0	0	0	0	809	809	0	809	809
Receive Hosted Over/Underspends South	0	0	0	0	51	51	0	51	51
Receive Hosted Over/Underspends East	0	0	0	0	(513)	(513)	0	(513)	(513)
<b>OUTTURN ON AN IJB BASIS</b>	<b>135,384</b>	<b>130,319</b>	<b>(5,065)</b>	<b>148,564</b>	<b>145,691</b>	<b>(2,873)</b>	<b>283,948</b>	<b>276,010</b>	<b>(7,938)</b>
<b>Less Earmarking</b>									
: Alcohol & Drug Partnership	0	0	715	0	0	0	0	0	715
: Mental Health Action 15	0	0	0	0	0	125	0	0	125
: Covid19 Funding	0	0	76	0	0	0	0	0	76
: Multi-Disciplinary Teams	0	0	0	0	0	644	0	0	644
: MH Recovery and Renewal	0	0	0	0	0	1,170	0	0	1,170
: Cossette Funding	0	0	0	0	0	18	0	0	18
: Mental Health Wellbeing in Primary Care	0	0	0	0	0	40	0	0	40
: Buvidal	0	0	0	0	0	168	0	0	168
: Childsmile	0	0	0	0	0	13	0	0	13
: West Road	0	0	300	0	0	0	0	0	300
: LD Health Checks	0	0	0	0	0	146	0	0	146
: Whole Family Wellbeing Funds	0	0	804	0	0	0	0	0	804
<b>FINAL OUTTURN POSITION</b>	<b>135,384</b>	<b>130,319</b>	<b>(3,170)</b>	<b>148,564</b>	<b>145,691</b>	<b>(549)</b>	<b>283,948</b>	<b>276,010</b>	<b>(3,719)</b>

## Reserves Position in Detail

## Appendix B

Area of Reserves	Opening Balance	Transfers Out 2022-23	Transfers In 2022-23	Balance at 31 March 2023
<b>Earmarked Funds</b>				
: Alcohol & Drug Partnership	890	(890)	715	715
: Mental Health Action 15	511	(511)	125	125
: Primary Care Improvement Fund	1,856	(1,856)	0	0
: 21-22 Budget Gap	0	0	0	0
: Challenge Fund / Service Redesign	500	0	1,719	2,219
: Community Living Change Fund	513	0	0	513
: Covid19 Funding	13,321	(13,321)	76	76
: Neighbourhood Networks	145	(145)	0	0
: Mental Health Officer Development Grant	41	(41)	0	0
: NAC Recovery and Renewal – Mental Health Element	71	0	0	71
: Joint Equipment	5	(5)	0	0
: Nethermain's Adaptations	40	(40)	0	0
: Supported Accommodation	50	(50)	0	0
: West Road	0	0	300	300
: Care at Home Capacity	1,192	(127)	0	1,065
: Interim Care	1,046	(310)	0	736
: Trauma Training	50	0	0	50
: Trauma Trainer	48	(48)	0	0
: Family Wellbeing Fund	106	(106)	804	804
: Perinatal MH Nurse	65	(31)	0	34
: Unaccompanied Asylum-Seeking Children	11	(11)	0	0
: Multi-Disciplinary Teams	644	(644)	644	644
: Health Care Support Workers	144	(144)	0	0
: MH Recovery and Renewal	2,057	(2,057)	1,170	1,170
: Medical photography	4	(4)	0	0
: Data Sims	28	(28)	0	0
: School Nursing	56	(56)	0	0
: Buvidal	109	(109)	168	168
: AHP Winter Funding	51	(51)	0	0
: Perinatal and Infant Mental Health	86	(86)	0	0
: Cossette Funding	18	(18)	18	18
: Replacement Mattress Programme	78	(78)	0	0
: Expansion of Primary Care Estates	55	0	0	55
: GP Premises Improvements - tranches 1 and 2	81	(10)	0	71
: Mental Health Wellbeing in Primary Care	40	0	40	80
: Dental Practice Improvement	265	(164)	0	101
: Childsmile	0	0	13	13
: Dental Winter Preparedness	128	(86)	0	42
: LD Health Checks	0	0	146	146
: 23-24 Budget Support	0	0	2,000	2,000
<b>Total Earmarked</b>	<b>24,305</b>	<b>(21,027)</b>	<b>7,938</b>	<b>11,216</b>
Outstanding Debt	(2,321)	2,321	0	0
Unallocated General Fund	7,248	(800)	0	6,448
<b>General Fund</b>	<b>29,232</b>	<b>(19,506)</b>	<b>7,938</b>	<b>17,664</b>

## 2022-23 Savings Tracker

## Appendix C

North Ayrshire Health and Social Care Partnership  
2022/23 Savings

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 12	Saving Delivered @ Month 12 £m	Shortfall £m	Comment
1	Adoption Allowances	Amber	0.060	Red	-	0.060	Included in the outturn
<b>TOTAL SOCIAL CARE SAVINGS</b>			<b>0.060</b>		<b>0.000</b>	<b>0.060</b>	

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 12	Saving Delivered @ Month 12 £m	Shortfall £m	Comment
2	Payroll Turnover Inflation	Green	0.302	Blue	0.302	-	Achieved
3	Elderly Mental Health inpatients (lead partnership)	Green	0.321	Blue	0.321	-	Achieved
<b>TOTAL HEALTH SAVINGS</b>			<b>0.623</b>		<b>0.623</b>	<b>0.000</b>	
<b>TOTAL NORTH HSCP SAVINGS</b>			<b>0.683</b>		<b>0.623</b>	<b>0.060</b>	

## 2022-23 Budget Reconciliation

## Appendix D

COUNCIL	Period	Permanent or Temporary	£'m
Initial Approved Budget			116.017
Base budget adjustments	1		(0.046)
<b>Uploaded Budget</b>			<b>115.971</b>
Resource Transfer	1	P	26.228
Software Licences transfer to IT	3	P	(0.002)
Montrose Cleaning Post to Facilities Management	3	P	(0.014)
Software Licences transfer to IT	4	P	(0.003)
Summer of Play Funding from Education	5	T	0.056
Insurance – transfer to corporate	6	P	(0.075)
Software Licences transfer to IT	6	P	(0.006)
MARAC funding	6	T	0.009
Pay Award Funding	7	P	1.866
Commercial Waste - Corporate adjustment	7	P	0.013
Family Wellbeing Fund	7	T	0.959
Software Licences transfer to IT	7	P	0.001
DWP income re CHIS	9	P	0.008
Carer Support to Education	10	T	(0.020)
ADP Funding to Money Matters	10	T	0.098
HSCP Debt Repayment	11	T	2.320
Drawdown Arran Staff Accommodation	11	T	0.100
Drawdown Arran Staff Accommodation	12	T	(0.800)
Carer Support to Education - reversal	12	T	0.020
CAH funding HR temporary post	12	T	(0.020)
Insurance Allocation	12	T	0.110
Financial Inclusion Funding	12	T	0.010
ICT Licence	12	T	0.000
MARAC HSCP	12	T	0.030
CJ Funding Corrections 2223	12	T	(0.080)
Resource Transfer - year end adjustment	12	T	(11.390)
Roundings	12	T	(0.003)
<b>Budget Reported at Month 12</b>			<b>135.384</b>

HEALTH	Period	Permanent or Temporary	£'m
<b>Initial Approved Budget</b>			<b>163.988</b>
Resource Transfer			(26.228)
Month 10-12 Adjustments			22.401
Adjust for Non-recurring funding			(22.408)
Full Year effect of Part Year Reductions			0.128
<b>REVISED 22-23 BUDGET</b>			<b>137.881</b>
Training Grade Adj – April	1	P	(0.064)

Vire No 2 - East to North CAMHS Admin	1	P	0.099
Band 2-4 SG Funding reduction	1	P	(0.007)
AHP Clinical Admin Budget Transfer	2	P	0.048
Dean Funding to Partnerships	2	P	0.085
Prescribing Uplift	2	P	1.631
Prescribing Cres	2	P	(0.715)
Prescribing out non schedule 5	2	P	(0.429)
Scottish Huntington's Post	3	P	0.014
Daldorch Income Shortfall	3	P	0.045
Community Store Contributions	3	P	(0.006)
Iona/Lewis Patient to South	3	T	(0.046)
Marie Curie contract uplift	3	P	(0.004)
Trakcare/Huntington's/ Daldorch	3	P	0.086
Staff Wellbeing Posts from OH&RD	4	P	0.193
Top Slicing Posts- Prescribing	4	P	(0.071)
Admin Post transferred to Medical Records	4	T	(0.034)
Naloxone for Police Scotland	4	T	0.026
Dean Funding	5	P	0.095
Rx Top Slicing to Pharmacy	5	P	(0.008)
Uplift DOAC (Direct Oral Anticoagulant) Rebate	5	P	0.06
Uplift CRES to Primary Care Rebate Scheme	5	P	0.068
Dysphagia Post	5	P	(0.021)
ADP PSST Support	5	T	0.008
CAMHS Liaison Funding	5	T	(0.350)
Specialist Pharmacist in Substance Misuse	6	T	0.012
BBV (Blood Borne Virus) Funding	6	T	0.242
Maternal and Infant Nutrition Allocation	6	T	0.020
Dean Funding Pay Award	6	P	0.061
GP Office 365 Upgrade	6	T	(0.137)
HD200 Drug Tariff Reduction 2022-23	7	P	(0.320)
Medical Pay Award 2.5% Top Up	7	T	0.170
Training Grades Reduction	8	P	(0.029)
Pulmonary Rehab Physio Monies	8	P	0.023
Franking transfer to Acute	8	P	(0.001)
AHP Clinical Admin to South HSCP	9	P	(0.021)
ADP Reduction	9	T	(0.324)
District Nursing Funding	9	T	0.037
A&E Liaison funding rtn'd to South/East ADP's	9	P	(0.139)
Prescribing Uplift	9	T	1.787
NSAIS - Revenue Costs	9	T	(0.014)
Revenue to Capital - North Bladder Scanners	9	T	(0.008)
HD342 VETERAN MENTAL HEALTH SUPPORT	9	T	0.105
HD336 LD HEALTH CHECKS	9	T	0.039
BUVIDAL FUNDING 8A PHARMACIST TO ACUTE	9	T	(0.014)



MDT Reduction	9	P	(0.006)
TEC Contribution	10	T	(0.053)
COVID Funding returned to the Scottish Govt	10	T	(8.263)
Mental Health After Covid	10	T	0.102
Diabetes Prevention	10	T	0.042
VIREMENT 15 MHS ADMIN POST TO EAST/SOUTH - HL	11	T	(0.006)
Training Grade Adjustment	11	T	(0.007)
Anticipate Action 15	11	T	0.714
HD361 Trauma Funding	11	T	0.044
Dementia PDS	12	T	0.071
North Pay Award 22.23	12	T	3.750
ADP	12	T	0.783
South Mat funding to North	12	T	0.029
North Pay Award 22.23 on NR Budgets	12	T	0.378
South Contribution to Trak	12	T	0.017
South Contribution to Veteran's 1st	12	T	0.034
Re-parent ACH Admin from Acute to North HSCP	12	T	0.244
Alcohol Brief Intervention	12	T	(0.010)
RX Budget adjustments	12	T	0.240
Apprenticeship Levy	12	T	0.320
Medical Discr Points 22-23	12	T	0.034
Medical Discr Points Leavers 22-23	12	T	(0.013)
Methodone Shortfall	12	T	(0.034)
LDS Shortfall - Alloway Place	12	T	(0.008)
East Contribution to Veteran's 1st	12	T	0.036
LD Health checks	12	T	0.073
Reduce MH Outcomes Alloc	12	T	(0.383)
LD Health checks	12	T	0.034
MDT	12	T	0.276
Perinatal Mental Health	12	T	(0.146)
CAMHS Earmarked Reduction	12	T	(0.762)
CAMHS Liaison Funding	12	T	0.247
Resource Transfer - year end adjustment	12	T	11.393
Covid Funding returned to the Scottish Government	12	T	(0.408)
Roundings	12	T	0.005
<b>Budget Reported at Month 12</b>			<b>148.564</b>

<b>COMBINED BUDGET MONTH 12</b>	<b>283.948</b>
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