

Integration Joint Board 14th March 2024

Subject :	2023-24 – Month 10 Financial Performance
Purpose :	To provide an overview of the IJB's financial performance as at month 10 (January).
Recommendation :	<p>It is recommended that the IJB:</p> <p>(a) notes the overall integrated financial performance report for the financial year 2023-24 and the current overall projected year-end overspend of £4.171m;</p> <p>(b) notes the progress with delivery of agreed savings;</p> <p>(c) notes the actions which are being taken to progress financial recovery;</p> <p>(d) notes the remaining financial risks for 2023-24; and</p> <p>(e) approves the budget reductions which are detailed at paragraph 2.10.</p>

Direction Required to Council, Health Board or Both	Direction to :-	
	1. No Direction Required	X
	2. North Ayrshire Council	
	3. NHS Ayrshire & Arran	
	4. North Ayrshire Council and NHS Ayrshire & Arran	

Glossary of Terms	
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

1.	EXECUTIVE SUMMARY
1.1	The report provides an overview of the financial position for the Partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments; these have been prepared in conjunction with relevant budget holders and services. It should be noted that, although this report

	refers to the position at the end of January, further work is undertaken following the month end to finalise projections, therefore the projected outturn position is as current and up to date as can practicably be reported.
1.2	The projected outturn is a year-end overspend of £4.171m (1.3%) for 2023-24 which is an adverse movement of £0.313m from month 7.
1.3	From the core projections, overall, the main areas of pressure are residential placements for children, supplementary staff in wards and Unplanned Activities (UnPACs) within the lead partnership for mental health.
2.	CURRENT POSITION
2.1	The report includes an overview of the financial position including commitments against the available resource, explanations for the main budget variances and an update on progress in terms of savings delivery.
2.2	FINANCIAL PERFORMANCE – AT MONTH 10
	<p>At month 10 against the full-year budget of £312.972m there is a projected year-end overspend of £4.171m (1.3%). The Integration Scheme outlines that there is an expectation that the IJB takes 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 a projected overspend of £3.353m (£0.853m adverse) in social care services and a projected overspend of £0.818m (£0.540m favourable) in health services.</p> <p>Appendix A provides the financial overview of the Partnership position. The sections that follow outline the significant variances in service expenditure compared to the approved budgets.</p> <p>The projections for some areas will be subject to fluctuations as they depend on recruitment plans for new funding and also the capacity of providers to take on work.</p>
2.3	Health and Community Care Services
	<p>Against the full-year budget of £92.978m there is a projected overspend of £0.690m (0.7%) 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 projected to underspend by £0.547m (£0.049m favourable movement).</p> <p>The budgeted number of permanent placements is 780 and at month 10 there are 784 placements. The projection assumes that the current number of placements will continue to the end of the year. Within the projection there is an assumption</p>

that recent placements which do not have a completed financial assessment (often due to the pressure to discharge from hospital) are costed with 25% of the cases at the current average cost of a placement and 75% at the gross or interim funded rate. It is likely that there will still be some cases being gross or interim funded at the year end. Their actual cost will not be known until the financial assessment is completed and this can impact on the final position.

The level of income recovered from charging orders is included in the projection above and is assumed to be £0.599m over recovered (£0.395m favourable) based on the income received to date. This income is not easy to project as it depends on the length of the legal process and time taken to sell the property that the charging order is registered to.

- b) Interim care beds are projected to underspend by £0.400m (£0.150m favourable) based on the usage to date and projected usage until the year end.
- c) Care at home (in house and purchased) is projected to be £0.156m overspent (£0.574m adverse). The position includes an underspend in in-house services of £0.362m (£0.557m adverse) as there are vacant posts, but 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. The adverse movement is due to covering high levels of absence during December and January. This is partly offset by an overspend in purchased services of £0.518m (£0.018m adverse) as the budget was reduced to reflect the additional costs of bringing some services in-house after the provider withdrew from the contract. There is also a projected underspend of £0.093m (£0.093m favourable) in supplies.
- d) Reablement services are projected to be £0.185m (£0.060m favourable) underspent due to vacancies.
- e) Care at Home Charging Income is projected to under recover by £0.050m (£0.010m favourable) due to an ongoing shift towards personal care which is non chargeable.
- f) Physical Disability Services - projected underspend of £0.269m (£0.019m favourable) in community care packages, £0.442m underspend (£0.007m adverse) in direct payments and £0.532m overspend (£0.074m adverse) for residential placements. There is also an under-recovery of income of £0.126m (£0.007 favourable).
- g) Anam Cara is projected to overspend by £0.073m (no movement) due to covering vacancies and sickness absence (£0.017m) and under-recovered income (£0.056m).

	<p>h) Integrated Island Services is projected to be £0.308m overspent (£0.041m adverse movement). There is an overspend at Montrose House of £0.264m (adverse movement of £0.022m) which relates to employee costs (the net cost of agency staff versus vacancies). There is also an overspend of £0.050m due to Band 6 nurses receiving back-dated recruitment and retention premium this financial year. Arran medical services are projecting to overspend by £0.032m and the remaining projected overspend is due to supplies costs increasing. The overspends are partially offset by a projected underspend in care at home costs of £0.018m (£0.068m adverse movement). There are staffing vacancies which are included within the payroll turnover savings figures below which offset the use of agency and bank staff.</p> <p>i) District Nursing is projected to overspend by £0.201m (£0.006m adverse movement) due to an overspend on bank nursing costs and supplies.</p>
	<p>j) Rehab wards are projected to overspend by £0.140m which is an £0.062m favourable movement (Redburn ward £0.202m overspent and Douglas Grant £0.062m underspent). The overspend is due to cover costs for vacancies as well as supplementary staffing for patients who require one to one support.</p> <p>k) Wards 1 and 2 are projected to overspend by £1.004m (£0.079m adverse movement) due to increased use of supplementary staffing.</p> <p>l) Cumbrae Lodge Continuing Care beds are projected to underspend by £0.260m (£0.110m favourable) due to a reduced charge to reflect the reduction in beds used.</p>
2.4	Mental Health Services
	<p>Against the full-year budget of £102.727m there is a projected overspend of £0.882m (0.9%) prior to the reallocation of the Lead Partnership overspend to East and South HSCP. This also excludes any potential variance on the Mental Health Recovery and Renewal Funding where any underspend will be earmarked at the year-end for use in 2024-25. The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £0.859m (£0.189m adverse) and the main variances are:</p> <ul style="list-style-type: none"> • Care Packages (including residential and direct payments) - projected underspend of £0.183m in community care packages (£0.026m favourable), projected overspend of £0.310m in direct payments (£0.074m favourable) and £0.451m for residential placements (£0.005m adverse). The LD community packages are being reviewed based on the quarter 3 actual costs to date. This could lead to a variation between the current projection and the actual outturn

- Void costs for Supported Accommodation are projected to overspend by £0.124m. This will reduce into 2024-25 as the developments are now operational.
 - Trindlemoss non-employee costs are projected to overspend by £0.088m. This is due to increased energy charges.
- b) Community Mental Health services are projected to underspend by £0.437m (£0.192m favourable movement) which is mainly due to an underspend of £0.443m in community packages (including direct payments) and an overspend in residential placements of £0.275m. The MH community packages are being reviewed based on the quarter 3 actual costs to date. This could lead to a variation between the current projection and the actual outturn.
- c) The Lead Partnership for Mental Health is projecting to be £0.456m overspent (£0.732m favourable movement) and the main variances are as follows:
- A projected overspend in Adult Inpatients of £0.530m (£0.010m adverse movement) due to overspends in supplementary staff for enhanced observations, staff cover due to sickness (inc. covid outbreak) and reduced bed sale income.
 - The UNPACS (Unplanned Activities) budget is projected to overspend by £1.168m (£0.242m favourable movement) based on current number of placements and enhanced costs remaining until the year end. The favourable movement is due to one placement moving from an external provider to on-house care at Woodland View. 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.
 - A projected overspend in MH Pharmacy of £0.086m (£0.002m adverse) due to an increase in substitute prescribing costs.
 - Learning Disability Services are projected to underspend by £0.311m (£0.633m favourable movement). There is a high usage of supplementary staffing due to backfill for sickness, increased and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis. The favourable movement is due to additional recharge income for two out of authority placements.

- Elderly Inpatients are projected to overspend by £0.169m (£0.004m favourable) due to the use of supplementary staffing.
- The Innovation Fund is projected to underspend by £0.234m (£0.002m adverse) due to slippage within some of the projects and not all of the funding was allocated.
- Addictions in patients are projected to overspend by £0.003m (no movement) due to the use of supplementary staffing.
- The Directorate cost centre is projected to overspend by £0.095m (no movement) mainly due and overspend of £0.049m on supplies and £0.012m of legal fees.
- Action 15 – is reported as on-line as any underspend will be carried forward and earmarked for use in 2024-25. The current projected underspend is £0.278m but this is not included in the overall projected outturn.
- 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 a projected over-recovery of the vacancy savings target of £1.115m (£0.139m adverse) in 2023-24, further information is included in the table below:

Vacancy Savings Target	(£0.873m)
Projected to March 2024	£1.988m
Over/(Under) Achievement	£1.115m

The current projection to the year-end is informed by the recruitment plans and the confidence in recruitment success and realistic timescales for filling individual vacancies.

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

- Adult Community MH £0.029m
- CAMHS £0.592m
- Mental Health Admin £0.354m
- Psychiatry £0.267m
- Psychology £0.683m
- Associate Nurse Director £0.063m

2.5 **Children and Justice Services**

Children's Services

Against the full-year budget of £40.313m there is a projected overspend of £5.325m (13.2%) (£0.056m adverse) and the main variances are:

- a) Care Experienced Children and Young People is projected to overspend by £4.863m (£0.065m favourable). The main areas within this are noted below:

	<ul style="list-style-type: none"> • Children’s residential placements are projected to overspend by £5.445m (£0.040m favourable). We started 2023/24 with 32 external placements and there are currently 37 placements (month 7 was 35 placements) which are assumed to continue until the end of the year. Within the £5.445m there is £0.232m relating to enhanced costs for four placements. One placement has also moved from being 100% funded with HSCP to 50/50 (from Jan 24). There are a number of factors leading to this challenging position: <ul style="list-style-type: none"> • We have 32 places available in our internal children’s houses, due to demand these have been operating at 100%+ occupancy for some time, leading to increased use of external placements where residential care is required. • The requirement to support Unaccompanied Asylum-Seeking Children (UASC) under the National Transfer Scheme and to support trafficked young people who have been identified in North Ayrshire. • A number of young people in residential care have requested Continuing Care, whereby a young person can remain in their placement until age 21. • Where appropriate young people are placed to meet their educational needs, the cost of Residential School Placements in the most cases is shared 50/50 with Education services. <p>Children’s Services are continuing to work with other services including Education and Housing to address the challenges. A change programme is being developed to respond to the pressures of residential care, this forms part of the Transformation Plan which seeks IJB approval elsewhere on the agenda for this meeting.</p> • Looked After and Accommodated Children (fostering, adoption, kinship etc) is projected to be £0.623m underspent (£0.094m favourable); this is based on the current number of placements and reflects additional monies received to support the uplift in rates for fostering and kinship placements (16+year olds) and the costs associated with this. • Children with disabilities – residential placements are projected to overspend by £0.272m (£0.033m favourable). This is based on 10 current placements. Direct payments are projected to underspend by £0.219m (£0.021m adverse). Community packages are projected to underspend by £0.124m (£0.005m favourable) based on 62 current number of packages and one further package until the year end.
	<ul style="list-style-type: none"> • Residential respite – placements are projected to overspend by £0.054m (£0.005m adverse movement). These short-term placements are used to prevent an admission to full residential care. There is one short term placement, but this could vary throughout the year and have an impact on the projection.

	<p>b) Head of Service – is projected to overspend by £0.336m (£0.030m adverse). The overspend is mainly due to the planned saving of £0.233m in relation to the staff reconfiguration in the children’s houses which will not be achieved in 23-24. There are also projected costs of £0.092m for the JII (Joint Investigative Interview) project which is not funded.</p> <p>c) Justice Services – is projected as being spent in full. There was no additional grant funding to mitigate the impact of the 23/24 pay award but this is being funded non-recurringly in 23-24 by savings from vacant posts.</p>
2.6	ALLIED HEALTH PROFESSIONALS (AHP)
	The non-employee costs element of the AHP services are projected to be on-line. All underspends in employee costs have been taken as payroll turnover.
2.7	CHIEF SOCIAL WORK OFFICER
	There is a projected underspend of £0.514m (£0.049m favourable) mainly due to a projected underspend in the Carers Strategy funding.
2.8	MANAGEMENT AND SUPPORT
	<p>Management and Support Services are projected to underspend by £1.745m (£0.042m favourable) and the main areas of underspend are:</p> <ul style="list-style-type: none"> • There is projected slippage on the LD and MH transition funding of £0.954m (£0.260m favourable) due to delays in children transitioning into adult services. • The agreed local government pay award was not fully funded. The total cost of the pay award was £4.826m against the budgeted increase of £1.982m. The additional cost of £2.844m will be partially met by additional recurring Scottish Government funding of £2.577m and the gap of £0.267m is an in-year overspend. Additional funding is expected to be included in the 24/25 budget which will cover the remaining gap. • An over-recovery of payroll turnover of £0.655m (£0.068m adverse) for social care services and an over-recovery of payroll turnover of £0.546m (£0.240m favourable) for health services as outlined in the table below. <p>The turnover targets and projected achievement for the financial year for Health and Social Care services outwith the Lead Partnership is noted below:</p>

	Social Care	Health Services
Vacancy Savings Target	(3.014m)	(1.433m)
Projected to March 2024	3.669m	1.979m
Over/(Under) Achievement	0.655m	0.546m

The position in the table above reflects the assumption in the current financial projections. For social care, a total of £3.069m (102% of annual target) has been achieved to date.

The health vacancy projection to the year-end is based on the month 9 position and is informed by the recruitment plans and confidence in recruitment to posts for the remainder 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 service areas are:

- Children and Families £0.838m
- Learning Disability £0.096m
- Management and Support £0.399m
- Community Care Service Delivery £0.260m
- Rehab and Reablement £0.234m
- Locality Services £0.288m
- Integrated Island Services £0.312m
- Community Mental Health £0.049m

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 Savings Progress

a) The approved 2023-24 budget included £4.963m of savings.

BRAG Status	Position at Budget Approval £m	Position at Month 10 £m
Red	-	0.273
Amber	2.245	0.322
Green	2.718	0.560
Blue	-	3.808
TOTAL	4.963	4.963

- b) The main area to note is that previous amber savings of £0.273m, relating to the reconfiguration of staffing within Children and Families, have been escalated to red. Progress to date suggests that the timescale for this saving will not be met and the full £0.273m will not be achieved in 2023-24 but this is accounted for in the projected outturn.

Appendix B provides an overview of those service changes which do have financial savings attached to them and the current BRAG status around the deliverability of each saving.

2.10 **Budget Changes**

The Integration Scheme states that *“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.”*

Appendix C highlights the movement in the budget position following the initial approved budget.

Reductions Requiring Approval:

Ref	Description	Amount
1	Training Grade Adjustment – November	(21,000)

2.11 **Pan Ayrshire Lead Partnership services and Large Hospital Set Aside**

Lead Partnerships: - 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 has been delayed by the requirement to focus efforts on the Covid response.

The final outturn in relation to North Lead Partnership services would not be fully attributed to the North IJB as a share would be allocated to East and South Partnerships; similarly, the impact of the outturn on East and South led services will require to be shared with North. At Month 10 the MH lead partnership is projected to overspend by £0.456m (£0.149m NRAC share for East and £0.130m for South).

South HSCP (month 9 information) – projected overspend of £0.564m (£0.204m adverse) of which £0.209m will be allocated to North. The overspend is mainly due to an overspend of £0.432m in the community store to replace obsolete equipment, which will reduce maintenance costs in the medium term and mattress replacement,

£0.171m in the continence service and an underspend £0.039m in the Family Nurse Partnership.

East HSCP (month 9 information) – projected underspend of £0.143m (£0.006m favourable) of which £0.053m will be allocated to North. The underspend is mainly due to:

Primary Care and Out of Hours Services (Lead Partnership)

There is a projected overspend of £0.118m on the Primary Care Lead Partnership budget and includes a projected underspend in Dental services totalling £0.309m, where staffing numbers are running at less than establishment. Recruitment over the remainder of the financial year has the potential to impact further on the projected outturn position at month 9. In addition, there are projected reduced costs within Primary Care contracting and support £0.127m, largely due to staff turnover. These reduced costs are partially offset by additional Primary Medical Services costs £0.425m, as well as additional costs in Out of Hours services £0.129m, with work ongoing to mitigate increased costs as far as possible over the course of the 2023/24 financial year and going forward into 2024/25. The projected outturn position assumes funding will be allocated to fully offset Urgent Care Pathway projected costs £1.170m, as well as Covid-19 Therapeutics projected costs £0.226m

Prison and Police Healthcare (Lead Partnership)

The £0.118m projected overspend at month 9 is largely due to increased costs associated with the new national medical contract.

Allied Health Professions (Lead Partnership)

Work has been undertaken to analyse Allied Health Professions services which are hosted by East Ayrshire IJB on a Lead Partnership basis. There is a projected underspend of £0.369m for the current year which mainly relates to staffing savings in Physiotherapy / MSK and Podiatry services and is partially offset by increased Orthotics costs.

Set Aside: - Work has been undertaken with partnerships to progress and develop set aside arrangements to fully implement the legislative requirement. This includes arrangements in relation to the use of Directions, Joint Commissioning Plans and overall progression towards fair share allocations of resources.

The assumed North budget for set aside resources for 2023-24 was £35.547m. This was based on the 2022-23 figure of £34.850m inflated by the 2023-24 uplift of 2%. Ayrshire Finance Leads have now agreed a baseline methodology for set aside budgets which involves using the four full years prior to the pandemic, 2016/17 – 2019/20 inclusive. This was included in a Q3 update for Ayrshire Finance Leads on 23/01/24. This changes the set aside budget to £35.453m, being the baseline activity at 2023/24 prices.

The annual budget for Acute Services is £424.8m. The directorate is overspent by £25.5m after 10 months and are forecast to be £30.5m over by year end. This is caused by increasing overspends on agency medical and nursing staff, together with drug expenditure. These have been required due to the level of operational pressure being experienced, in common with many other areas in Scotland. Around 180 additional beds were open across both main hospital sites during January.

There is a material underlying deficit caused by:

- Unachieved efficiency savings
- Length of Stay (LoS) in NHS Ayrshire and Arran acute hospitals is above the Scottish average
- High expenditure on medical and nursing agency staff, high rates of absence and vacancies causing service pressure.
- Delayed transfers of care and high acuity of patients.

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

2.12 **FINANCIAL RECOVERY PLAN**

The Integration Scheme requires the preparation of a recovery plan if an overspend position is being projected to plan to bring overall service delivery back into line with the available resource.

Heads of Service have closely reviewed expenditure and have implemented actions which have reduced some areas of overspend as outlined in the table below. The projected year-end position has improved by a net £0.405m since Month 3.

	Favourable Movement since Month 3
Payroll Turnover – Health (non-Lead)	285,000
Anam Cara staffing	104,000
Care Experienced Young People	324,000
Looked After Children	262,000
Transitions funding	574,000
Care Homes	216,000
Physical Disabilities (Community Packages, Direct Payments and Residential)	346,000
Interim Care Beds	400,000
Mental Health Care Packages	82,000
Mental Health Lead Partnership – North element	368,000
Children with a disability	177,000
Carers Funding	135,000
District Nursing	24,000
Rehab Wards	124,000

	<p>These areas of improvement have been partially offset by adverse movements in Care at Home, Integrated Island Services, Wards 1 and 2 at Woodland View, UNPACS and intervention services.</p> <p>Work is ongoing to further improve the projected position and minimise the overspends continuing into 2024-25. This work is built on the following general principles:</p> <ul style="list-style-type: none"> • No adverse impact on delayed discharges or patient flow during Winter • Exercising professional judgement around the use of waiting lists where this may have an impact elsewhere in the system • Reviewing the need for more active management of non-frontline vacant posts • The non-recurring use of reserves • Working with East and South on lead partnership projections <p>As a contingency there is provision of £2m non-recurring funding set aside in the reserves (appendix D) to contribute towards the 2023-24 position. This would reduce the current projected overspend to £2.171m.</p> <p>The IJB also holds a General Fund reserve balance of £5.821m of unallocated funds, this would underwrite the risk of the remainder of the projected overspend. This is not a sustainable position as this funding is non-recurring and it does not resolve the areas underlying the projected overspend.</p>
2.13	FINANCIAL RISKS
	<p>There are a number of ongoing financial risk areas that may impact on the 2023-24 budget during the year, these include:</p> <ul style="list-style-type: none"> • Current high levels of inflation which impact on costs incurred directly by the Partnership and on our partner providers • High risk areas of low volume / high-cost services areas e.g. Children's residential placements, Learning Disability care packages and complex care packages; • Progress with the work to develop set aside arrangements and the risk sharing arrangements agreed as part of this. • Ongoing implementation costs of the Scottish Government policy directives • Lead / hosted service arrangements, including managing pressures and reporting this across the 3 IJBs. • The impact on Lead Partnership and acute services from decisions taken by other Ayrshire areas. • The use of supplementary staffing for enhanced observations across a number of service areas. • The use of high-cost agency staff to support frontline service delivery in areas where there are recruitment challenges. • Continuing risks associated with provider sustainability.

- The NHS Ayrshire and Arran Health Board financial deficit and the risks around further escalation in the national framework for financial escalation. North Ayrshire IJB have already discussed our position in relation to the request for payment for delayed discharges.

These risks will continue to be monitored during the remainder of 2023-24.

2.14 RESERVES

The IJB reserves position is summarised in the table below.

The opening 'free' general fund balance of £5.821m is held as a contingency balance; this equates to around 2.1% of the initial approved IJB budget for 2023-24 which is within, but towards the lower end, of the target range of 2%-4%. The table has been updated to reflect the estimated draws during 2023-24.

	General Fund Reserve	Earmarked Reserves		Total
	Unearmarked	External Funding	HSCP	
	£m	£m	£m	
Opening Balance - 1 April 2023	6.448	6.997	4.219	17.664
Audit Adjustment	(0.627)	(0.309)	-	(0.936)
Corrected Opening Balance	5.821	6.688	4.219	16.728
2023-24 Draw Per the Budget Paper	-	(1.252)	-	(1.252)
Current Reserve balances	5.821	5.436	4.219	15.476
Estimated 2023-24 Draws	(2.171)	(3.159)	(2.365)	(7.695)
Projected Balance – 31 March 2024	3.650	2.277	1.854	7.781

The 2023-24 budget approved the use of £1.252m of previously earmarked reserves to support a balanced budget position for 2023-24. The HSCP earmarked reserves also includes a further amount of £2.000m which was agreed to support the financial position during 2023-24.

The reserves above now reflect the adjustment of £0.936m which was identified in the external audit of the 2022/23 accounts and reported to the November IJB. This related to a difference between the total IJB reserves and the balances due to the IJB from partners' audited accounts and has now been reconciled.

3. PROPOSALS

3.1 Anticipated Outcomes

Continuing to closely monitor the financial position will allow the IJB to take corrective action where required to ensure the Partnership can deliver services in 2023-24 from within the available resource, thereby limiting the financial risk to the funding partners.

3.3	<u>Measuring Impact</u>
	The final outturn for 2023-24 will be reported to the IJB in June 2024.
4.	IMPLICATIONS
4.1	<u>Financial</u> The financial implications are as outlined in the report. Against the full-year budget of £312.972m there is a projected overspend of £4.171m. The report outlines the main variances for individual services.
4.2	<u>Human Resources</u> The report highlights vacancy or turnover savings achieved to date. 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 the staffing capacity reduction on a recurring or planned basis.
4.3	<u>Legal</u> None.
4.4	<u>Equality/Socio-Economic</u> None.
4.5	<u>Risk</u> Para 2.13 highlights the financial risks. The report falls in line with the agreed risk appetite statement which is a low -risk appetite in respect to adherence to standing financial instructions, financial controls and financial statutory duties and a high -risk appetite in relation to finance and value for money.
4.6	<u>Community Wealth Building</u> None.
4.7	<u>Key Priorities</u> None.
5.	CONSULTATION
5.1	This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.
5.2	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.



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2023-24 Budget Monitoring Report–Objective Summary as at 31st January 2024

Appendix A

Partnership Budget - Objective Summary	2023/24 Budget									(Under) Spend Variance at Period 7	Movement in projected variance from Period 7
	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		
COMMUNITY CARE AND HEALTH	73,444	72,846	(598)	19,534	20,822	1,288	92,978	93,668	690	132	558
: Locality Services	28,920	27,990	(930)	5,356	5,636	280	34,276	33,626	(650)	(652)	2
: Community Care Service Delivery	38,711	38,690	(21)	0	0	0	38,711	38,690	(21)	(612)	591
: Rehabilitation and Reablement	2,162	2,167	5	0	0	0	2,162	2,167	5	5	0
: Long Term Conditions	1,000	1,062	62	10,463	11,352	889	11,463	12,414	951	1,090	(139)
: Community Link Workers	191	187	(4)	0	0	0	191	187	(4)	(7)	3
: Integrated Island Services	2,460	2,750	290	3,715	3,834	119	6,175	6,584	409	308	101
MENTAL HEALTH SERVICES	30,170	30,596	426	72,557	73,013	456	102,727	103,609	882	1,618	(736)
: Learning Disabilities	23,125	23,984	859	471	471	0	23,596	24,455	859	670	189
: Community Mental Health	6,055	5,618	(437)	1,743	1,743	0	7,798	7,361	(437)	(245)	(192)
: Addictions	990	994	4	1,868	1,868	0	2,858	2,862	4	5	(1)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	68,475	68,931	456	68,475	68,931	456	1,188	(732)
CHILDREN & JUSTICE SERVICES	35,431	40,653	5,222	4,882	4,985	103	40,313	45,638	5,325	5,269	56
: Irvine, Kilwinning and Three Towns	3,339	3,352	13	0	0	0	3,339	3,352	13	(31)	44
: Garnock Valley, North Coast and Arran	3,126	3,137	11	0	0	0	3,126	3,137	11	(65)	76
: Intervention Services	1,908	1,908	0	8	8	0	1,916	1,916	0	(21)	21
: Care Experienced Children & Young people	23,326	28,189	4,863	0	0	0	23,326	28,189	4,863	4,928	(65)
: Head of Service - Children & Families	1,098	1,434	336	0	0	0	1,098	1,434	336	306	30
: Justice Services	2,413	2,413	0	0	0	0	2,413	2,413	0	(1)	1
: Universal Early Years	221	220	(1)	4,211	4,314	103	4,432	4,534	102	153	(51)
: Lead Partnership NHS Children's Services	0	0	0	663	663	0	663	663	0	0	0
CHIEF SOCIAL WORK OFFICER	1,858	1,349	(509)	0	0	0	1,858	1,349	(509)	(465)	(44)
PRIMARY CARE	0	0	0	52,998	52,932	(66)	52,998	52,932	(66)	(66)	0
ALLIED HEALTH PROFESSIONALS	0	0	0	10,014	10,014	0	10,014	10,014	0	0	0
COVID NHS	0	0	0	0	(275)	(275)	0	(275)	(275)	(274)	(1)
MANAGEMENT AND SUPPORT COSTS	6,898	5,718	(1,180)	3,716	3,151	(565)	10,614	8,869	(1,745)	(1,703)	(42)
NATIONAL COMMISSIONED SERVICE	0	0	0	3	3	0	3	3	0	0	0
FINANCIAL INCLUSION	1,467	1,459	(8)	0	0	0	1,467	1,459	(8)	(2)	(6)
OUTTURN ON A MANAGED BASIS	149,268	152,621	3,353	163,704	164,645	941	312,972	317,266	4,294	4,509	(215)
Return Hosted Over/Underspends East	0	0	0	0	0	(149)	0	0	(149)	(389)	240
Return Hosted Over/Underspends South	0	0	0	0	0	(130)	0	0	(130)	(340)	210
Receive Hosted Over/Underspends South	0	0	0	0	0	209	0	0	209	133	76
Receive Hosted Over/Underspends East	0	0	0	0	0	(53)	0	0	(53)	(55)	2
OUTTURN ON AN IJB BASIS	149,268	152,621	3,353	163,704	164,645	818	312,972	317,266	4,171	3,858	313

2023-24 Savings Tracker

North Ayrshire Health and Social Care Partnership 2023/24 Savings

Appendix B

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 10	2023/24 Saving	Description of the Saving
Children, Families & Criminal Justice					
1	Staffing reconfiguration - children & families	Amber	Red	273,000	Review staffing provision within children's houses with the saving phased over 2023/24 and 2024/25 – 50/50
Community Care & Health					
2	Deliver the Strategic Plan objectives for Older People's Residential Services - Reduction in Care Home Places	Amber	Blue	1,000,000	The budget for 23/24 would fund an average 780 places at the current split of nursing/residential (60/40). This reflects reduced demand and investment in CAH to support more people at home.
3	Care Home Respite	Amber	Green	560,000	All respite care to be provided in-house at Anam Cara and Montrose House and any use of other respite provision funded via Carers budget.
4	Montrose House Capacity	Green	Amber	210,000	Registration amended from 30 beds to 20 beds across 2 staffed wings. This is supported by introduction of intermediate care beds at Arran War Memorial Hospital.
5	Reconfigure respite provision at Anam Cara	Amber	Amber	112,000	The service is currently relocated to Taigh Mor (8 beds) on a temporary basis and this proposal would reduce capacity from 14 beds to 9 beds in one wing when it reverts to Anam Cara.
Mental Health					
6	Trindlemoss pool running costs	Green	Blue	85,000	Trindlemoss Pool has never opened due to ongoing maintenance issues. The historic budgeted running costs are £0.085m but it is expected actual costs would be much higher. The pool will not open and alternative therapies will be provided e.g. bounce
7	Trindlemoss Day Care	Green	Blue	168,932	Trindlemoss day opportunities staffing was restructured during 2021/22 and 2022/23. This saving has already been achieved and will remove the additional staffing budget.
8	Intermediate Placement Scheme - cessation of service	Green	Blue	30,000	The contract has ceased and will not be renewed.
Other Areas					
9	Carers Act Funding - Substitution of Spend	Green	Blue	500,000	There is a plan in place to invest across carer service contract, preparation of carer plans, short breaks and other support to carers. This proposal will invest £0.500m in contributions to Red Rose House, Roslin House, Anam Cara, waiving of charges and day services.

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 10	2023/24 Saving	Description of the Saving
Other Areas					
10	Payroll Turnover - increase to target (social care)	Green	Blue	1,000,000	The saving is based on less than 50% of the 2022/23 overachievement
11	Income Generation - 5% Increase to fees and charges	Green	Blue	46,600	Implement a 5% increase to fees and charges and a 5% increase to the maximum charge. The impact will be limited where service users are already paying the maximum charge.
12	Staffing Reconfiguration - Finance and Transformation	Green	Blue	35,091	Saving released through management and admin structure change

TOTAL SOCIAL CARE SAVINGS

4,020,623

Health:

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 10	Approved Saving 2023/24 £m	Description of the Saving
13	Payroll Turnover - Health Lead Partnership	Green	Blue	392,245	The saving is based on less than 25% of the 2022/23 overachievement
14	Payroll Turnover - Health Non Lead Partnership	Green	Blue	250,000	The saving is based on less than 50% of the 2022/23 overachievement
15	Reprovisioning of Continuing Care beds	Amber	Blue	300,000	Currently provided through Cumbrae Lodge Care Home in Irvine but the provider does not want to continue to provide the service. Plans are being developed to relocate the service to Taigh Mor in Beith with an anticipated saving of £0.3m.

TOTAL HEALTH SAVINGS

942,245

TOTAL NORTH HSCP SAVINGS

4,962,868

2023-24 Budget Reconciliation

Appendix C

COUNCIL	Period	Permanent or Temporary	£'m
Initial Approved Budget			121.408
Less Living Wage Fund not yet allocated			(2.826)
Revised Budget			118.582
Resource Transfer	1-6	P	24.640
HSCP Fin Circ 3	1-3	P	0.013
Living Wage - final allocation	1-3	P	2.808
ICT Licences Various	1-3	P	(0.012)
Island Funds	1-3	T	0.015
Facilities Management Costs - Montrose House	1-3	P	0.387
West Road - Capital funded from Revenue	1-3	T	(0.300)
Care at Home – Draw from reserves	4	T	0.173
Transport (taxi) budget transferred to HSCP	6	P	0.247
Curator fees budget transferred from Legal Services	6	P	0.004
Fostering and Kinship – additional SG funding re increased rates.	6	P	0.486
Commercial Waste	7	P	0.005
Pay Award Funding	8	P	1.603
Interim Care	8	T	0.610
ICT Licences	8	P	0.002
Roundings	9		0.005
Social Care Budget Reported at Month 10			149.268
HEALTH	Period	Permanent or Temporary	£'m
Initial Baseline Budget			164.500
Month 10-12 Adjustments			2.473
MDT funding			0.828
Adjust for full year impact of part year amounts			0.052
Revised Baseline		P	167.853
Baseline Funding Increase		P	2.164
Adjust for recurring funding		P	7.629
Adjust for non-recurring		T	2.434
Resource Transfer		P	(24.640)

2023/24 Opening Position			155.440
Net impact of Pan Ayrshire Pressures	1	P	0.028
Top Slicing Posts 2022-23	2	P	(0.054)
MDT Funds to Arran Medical Group	3	T	(0.033)
Training Grade Adjustments	3	P	(0.035)
Ward 3 Band 2 Domestic	3	P	(0.004)
V2 B6 to AHM233	3	P	(0.061)
Virement 12 Band 2 Domestic	4	P	(0.010)
Virement 18 Band 3 budget transfer - J Baird	4	P	0.019
Lymphoedema Top Slice RX	4	P	(0.029)
HD Ref 51 Band 2-4	4	P	0.054
District Nursing Anticipated	5	P	0.032
HD REF 110 Multi-Disciplinary Teams	5	P	0.120
Post (EB) transferred to Medical Records	5	T	(0.037)
Integrated Infant Feeding (South)	5	P	0.057
Integrated Infant Feeding (SG)	5	T	0.050
2023-24 RX Budget	6	P	(0.908)
Training Grade ADJ - August	6	P	0.270
PFG LOCAL IMPROVEMENT	6	P	0.457
ADP National Mission	6	T	0.207
ADP Residential Rehab	6	T	0.094
ADP AFC Pay Uplift	6	T	0.091
ADP Lived & Living Experience	6	T	0.009
ADP Drug Prevalence	6	T	0.059
ADP Whole Family Approach	6	T	0.066
ADP MAT 70%	6	T	0.175
HD126: MENTAL HEALTH AFTER COVID HOSPITALISATION SERVICE 23-24	6	T	0.039
REMOVE Anticipate MACH (Mental Health After Covid)	6	T	(0.102)
HD185: MENTAL HEALTH OUTCOMES FRAMEWORK	6	P	2.178
HD227: DELIVERY OF VETERAN SPECIFIC MENTAL HEALTH SUPPORT	6	T	0.105
HD229: DIGITAL THERAPY POSTS	6	P	0.059
COMMUNITY PHLEBOTOMY - NORTH SHARE	6	P	(0.039)
SOUTH ADP WARD 5 W/VIEW PAY UPLIFT	6	T	0.003
SOUTH ADP ORT PAY UPLIFT	6	T	0.005
SOUTH ADP PREV&SERVICES SUPPORT PAY UPLIFT	6	T	0.004
Apprenticeship Levy	6	P	0.225
Training Grade ADJ - September	6	P	(0.007)
ADP PSST Support - South	6	T	0.008
South Naloxone kits	6	T	0.002

South MAT Funding - Psychiatry	6	T	0.029
ADP Pay Uplift	6	T	0.003
Drug Tarif Anticipate 2023-24	6	P	0.525
North HSCP Medical Pay Award 23/24	6	P	0.532
LDS Shortfall - Alloway Place	7	P	(0.008)
TEC (North) to CSS	7	P	(0.075)
Budget adj for Buvidal use NADARS	7	T	(0.002)
MH Strategy Action 15 Workforce 23-24	7	P	0.879
CAMHS IMP - IPCU	7	P	0.243
CAMHS IMP - INT HOME TREATMENT TEAMS	7	P	0.221
CAMHS IMP - OOH UNSCHEDULED CARE	7	P	0.148
CAMHS IMP - LD FORENSIC AND SECURE	7	P	0.089
HD305: SPECIALIST COM PERINATAL MH, INFANT MH & NEONATAL PSYCHOLOGY INTERVENTION	7	T	0.373
ANTICIPATE TRANCHE 2: SPECIALIST COM PERINATAL MH, INFANT MH & NEONATAL PSYCHOLOGY INTERVENTION	7	T	0.215
DE-ESCALATION ROOMS TO RESOURCE	7	T	(0.025)
Hd254 Pharmacy tariff reduction to reflect historic NRAC share.	7	P	(0.015)
Hd256 Increase to the pharmacy tariff to match the actuals on the national allocation letter.	7	P	0.018
Blood Borne Virus Outcomes Framework	8	T	0.277
Injection Equipment Provision (IEP)	8	T	0.014
Funding for an Assistant Nursing Practitioner from the Maternal & Infant Nutrition bundle	8	T	0.020
Training Grade Adj - November	8	P	(0.021)
HD383: Post Diagnostic Support - Dementia 23/24	9	T	0.094
Roundings	9	T	0.004
Anticipated budgets included in the report but not in the ledger	10	T and P	1.629
Health Budget Reported at Month 10			163.704
TOTAL COMBINED BUDGET			312.972