

Integration Joint Board 16th November 2023

Subject : **2023-24 – Month 6 Financial Performance**

Purpose : To provide an overview of the IJB’s financial performance as at month 6 (September).

Recommendation : It is recommended that the IJB:

- (a) notes the overall integrated financial performance report for the financial year 2023-24 and the current overall projected year-end overspend of £3.986m;
- (b) notes the progress with delivery of agreed savings;
- (c) notes the actions which are being taken to progress financial recovery;
- (d) notes the remaining financial risks for 2023-24; and
- (e) approves the budget reductions which are detailed at paragraph 2.10.

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 September, 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 £3.986m (1.3%) for 2023-24 which is an adverse movement of £0.127m from month 4. This includes the financial impact of the NHS pay award but excludes the Council pay award.
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 6
	<p>At month 6 against the full-year budget of £313.383m there is a projected year-end overspend of £3.986m (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 £2.579m (£0.928m favourable) in social care services and a projected overspend of £1.407m (£1.055m adverse) 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 £89.944m there is a projected overspend of £0.366m (0.4%) 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 £0.471m (£0.041m favourable movement).</p>

The budgeted number of permanent placements is 780 and at month 6 there are 786 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 that recent placements which do not have a completed financial assessment (often due to the pressure to discharge from hospital) are costed with 50% of the cases at the current average cost of a placement and 50% 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 £0.134m over recovered (£0.034m 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) Care at home (in house and purchased) is projected to be £0.409m underspent (£0.346m adverse). The position is made up of an underspend in in-house services of £0.922m (£0.320m 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. This is partly offset by an overspend in purchased services of £0.518m (£0.025m adverse) as the budget was reduced to reflect the additional costs of bringing some services in-house after the provider withdrew from the contract.
- c) Reablement services are projected to be £0.127m (£0.002m favourable) underspent due to vacancies.
- d) Care at Home Charging Income is projected to under recover by £0.074m (£0.006m favourable) due to an ongoing shift towards personal care which is non chargeable.
- e) Physical Disability Care Packages (including residential and direct payments) - projected underspend of £0.217m (£0.048m favourable) in community care packages, £0.392m underspend (£0.026m favourable) in direct payments and £0.440m overspend (£0.125m favourable) for residential placements. There is also an under-recovery of income of £0.133m (no movement).
- f) Anam Cara is projected to overspend by £0.069m (£0.020m favourable) due to covering vacancies and sickness absence (£0.013m) and under-recovered income (£0.056m). The improvement in the projection is following a review of the staff costs.
- g) Integrated Island Services is projected to be £0.267m overspent (£0.131m adverse movement). There is an overspend at Montrose House of £0.195m (adverse movement of £0.038m) which relates to employee costs (the net cost of

	<p>agency staff versus vacancies), supplies and cleaning costs and an under-recovery of charging income. There is also an overspend of £0.050m due to Band 6 nurses receiving back-dated recruitment and retention premium this financial year. The SLA for Scottish Ambulance Service projected to overspend by £0.030m. Arran medical services are projecting to overspend by £0.032m and the remaining £0.039m projected overspend is due to supplies costs increasing. The overspends are partially offset by a projected underspend in care at home costs of £0.135m (£0.034m 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>h) District Nursing is projected to overspend by £0.236m (£0.011m favourable movement) due to an overspend on bank nursing costs and supplies.</p>
	<p>i) Rehab wards are projected to overspend by £0.220m which is an £0.038m favourable movement (Redburn ward £0.200m overspent and Douglas Grant £0.020m overspent). The overspend is due to cover costs for vacancies as well as supplementary staffing for patients who require one to one support.</p> <p>j) Wards 1 and 2 are projected to overspend by £0.850m (£0.100m adverse movement) due to increased use of supplementary staffing.</p> <p>k) Cumbrae Lodge Continuing Care beds are projected to underspend by £0.150m (no change) due to a reduced charge to reflect the reduction in beds used during the transition to the new service.</p>
2.4	Mental Health Services
	<p>Against the full-year budget of £105.191m there is a projected overspend of £1.804m (2.2%) 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 £0.660m (£0.035m favourable) and the main variances are:</p> <ul style="list-style-type: none"> • Care Packages (including residential and direct payments) - projected underspend of £0.244m in community care packages (£0.020m adverse), projected overspend of £0.348m in direct payments (£0.144m adverse) and £0.560m for residential placements (£0.019m favourable). • Trindlemoss non-employee costs are projected to underspend by £0.075m. <p>b) Community Mental Health services are projected to underspend by £0.266m (£0.222m favourable movement) which is mainly due to an underspend of</p>

£0.503m in community packages (including direct payments) and an overspend in residential placements of £0.262m.

c) The Lead Partnership for Mental Health is projecting to be £1.408m overspent (£0.379m adverse movement) and the main variances are as follows:

- A projected overspend in Adult Inpatients of £0.553m (£0.114m favourable 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 £1.407m (£0.301m adverse movement) based on current number of placements and enhanced costs remaining until the year end. The adverse movement is due to additional costs for enhanced observations. 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 £0.114m (£0.099m adverse) due to an increase in substitute prescribing costs. The adverse movement is due to a review of the Buvidal costs to date and projecting this to the year end.
- Learning Disability Services are projected to overspend by £0.326m (£0.093m favourable movement) 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, 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 out of authority placements.
- Elderly Inpatients are projected to overspend by £0.181m (£0.076m favourable) due to the use of supplementary staffing.
- The Innovation Fund is projected to underspend by £0.275m (£0.003m 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 £0.014m (£0.031m favourable) due to the use of supplementary staffing.

- The Apprenticeship Levy is projected to overspend by £0.067m (£0.067m adverse) for the Lead Partnership.
- 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 £1.063m (£0.170m favourable) in 2023-24, further information is included in the table below:

Vacancy Savings Target	(£0.873m)
Projected to March 2024	£1.936m
Over/(Under) Achievement	£1.063m

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:

- CAMHS £0.592m
- Mental Health Admin £0.366m
- Psychiatry £0.375m
- Psychology £0.539m
- Associate Nurse Director £0.064m

2.5 Children and Justice Services

Children's Services

Against the full-year budget of £39.535m there is a projected overspend of £5.016m (12.7%) (£0.584m favourable) and the main variances are:

a) Care Experienced Children and Young People is projected to overspend by £4.740m (£0.568m favourable). The main areas within this are noted below:

- Children's residential placements are projected to overspend by £5.400m (£0.248m favourable). We started 2023/24 with 32 external placements and there are currently 34 placements (month 4 was 34 placements) which are assumed to continue until the end of the year. Within the £5.400m there is £0.145m relating to enhanced costs for two placements. There are a number of factors leading to this challenging position:
 - 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.

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, further detail of the scope and plan around this work will be presented to a future IJB.

- Looked After and Accommodated Children (fostering, adoption, kinship etc) is projected to be £0.473m underspent (£0.062m favourable); this is based on the current number of placements and also now reflects additional monies received to support the uplift in rates for fostering and kinship placements (16+year olds).
- b) Children with disabilities – residential placements are projected to overspend by £0.208m (£0.027m favourable). This is based on 8 current placements and 2 further placements which are expected to commence during November. Direct payments are projected to underspend by £0.189m (£0.046m favourable). Community packages are projected to underspend by £0.104m (£0.005m favourable) based on 71 current number of packages and assumptions around further packages until the year end.
- c) Residential respite – placements are projected to overspend by £0.049m (no 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.
- d) Head of Service – is projected to overspend by £0.300m (£0.103m favourable). The overspend is mainly due to the planned saving of £0.233m in relation to the staff reconfiguration in the children's houses which is not expected to be fully achieved in 23-24. There are also projected costs of £0.092m for the JII (Joint Investigative Interview) project which is not funded.
- e) Irvine, Kilwinning and Three Towns - projected to overspend by £0.003m which is adverse movement of £0.168m. The adverse movement relates to agency staff being in place for longer than previously assumed.
- f) Intervention Services projected to underspend by £0.088m which is a favourable movement of £0.104m. The favourable movement is due to further vacant posts.

	g) Justice Services – is projected as being spent in full, however, there is a risk the service could go into an overspend if there is no additional grant funding to mitigate the potential impact of the 23/24 pay award.												
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 £0.384m (£0.005m adverse) 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 £1.756m (£0.557m adverse) and the main areas of underspend are:</p> <ul style="list-style-type: none"> • An over-recovery of payroll turnover of £0.723m for social care services and an over-recovery of payroll turnover of £0.417m for health services as outlined in the table below. • There is projected slippage on the LD and MH transition funding of £0.553m (£0.085m favourable) due to delays in children transitioning into adult services. • The adverse movement in the projection for management and support reflects the reallocation of the Band 2 to Band 3 funding which was previously reported here as an underspend. This funding has now been allocated to the relevant service. <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> <table border="1" data-bbox="331 1534 1318 1727"> <thead> <tr> <th></th> <th>Social Care</th> <th>Health Services</th> </tr> </thead> <tbody> <tr> <td>Vacancy Savings Target</td> <td>(3.014m)</td> <td>(1.433m)</td> </tr> <tr> <td>Projected to March 2024</td> <td>3.737m</td> <td>1.850m</td> </tr> <tr> <td>Over/(Under) Achievement</td> <td>0.723m</td> <td>0.417m</td> </tr> </tbody> </table> <p>The position in the table above reflects the assumption in the current financial projections. For social care, a total of £1.677m (55.6% of annual target) has been achieved to date.</p>		Social Care	Health Services	Vacancy Savings Target	(3.014m)	(1.433m)	Projected to March 2024	3.737m	1.850m	Over/(Under) Achievement	0.723m	0.417m
	Social Care	Health Services											
Vacancy Savings Target	(3.014m)	(1.433m)											
Projected to March 2024	3.737m	1.850m											
Over/(Under) Achievement	0.723m	0.417m											
	The health vacancy projection to the year-end is based on the month 6 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 areas at month 6 are:

- Children and Families £0.613m
- Learning Disability £0.030m
- Management and Support £0.173m
- Community Care Service Delivery £0.161m
- Rehab and Reablement £0.162m
- Locality Services £0.183m
- Integrated Island Services £0.197m
- Community Mental Health £0.073m

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 6 £m
Red	-	0.273
Amber	2.245	0.322
Green	2.718	1.860
Blue	-	2.508
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.

Work is ongoing to refresh the Transformation Plan to focus on the financial challenges which the Partnership expects to face in 2024/25 and 2025/26. The plan is critical to the ongoing sustainability of service delivery. Once it has been endorsed by the Transformation Board it will be included within future financial monitoring reports. The Transformation Board also has responsibility for overseeing the delivery of the plan and for ensuring that projects remain on track.

	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	<p>Budget Changes</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 C highlights the movement in the budget position following the initial approved budget.</p> <p>Reductions Requiring Approval:</p> <table border="1"> <thead> <tr> <th>Ref</th> <th>Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Post transferred to medical records</td> <td>(0.037)</td> </tr> <tr> <td>2</td> <td>2023/24 Reallocation of the Prescribing Budget (Rx Budget)</td> <td>(0.908)</td> </tr> <tr> <td>3</td> <td>Reduction to Mental Health after Covid Funding to match the confirmed allocation.</td> <td>(0.102)</td> </tr> <tr> <td>4</td> <td>Community Phlebotomy funding transferred to South Ayrshire HSCP</td> <td>(0.039)</td> </tr> <tr> <td>5</td> <td>Training grade adjustment – reduction in line with the number of training posts.</td> <td>(0.007)</td> </tr> </tbody> </table>	Ref	Description	Amount	1	Post transferred to medical records	(0.037)	2	2023/24 Reallocation of the Prescribing Budget (Rx Budget)	(0.908)	3	Reduction to Mental Health after Covid Funding to match the confirmed allocation.	(0.102)	4	Community Phlebotomy funding transferred to South Ayrshire HSCP	(0.039)	5	Training grade adjustment – reduction in line with the number of training posts.	(0.007)
Ref	Description	Amount																	
1	Post transferred to medical records	(0.037)																	
2	2023/24 Reallocation of the Prescribing Budget (Rx Budget)	(0.908)																	
3	Reduction to Mental Health after Covid Funding to match the confirmed allocation.	(0.102)																	
4	Community Phlebotomy funding transferred to South Ayrshire HSCP	(0.039)																	
5	Training grade adjustment – reduction in line with the number of training posts.	(0.007)																	
2.11	<p>Pan Ayrshire Lead Partnership services and Large Hospital Set Aside</p> <p>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.</p> <p>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 6 the MH lead partnership is projected to overspend by £1.408m (£0.461m NRAC share for East and £0.403m for South).</p>																		

South HSCP (month 6 information) – projected overspend of £0.360m (£0.080m favourable) of which £0.133m will be allocated to North. The overspend is mainly due to an overspend of £0.247m in the community store, £0.107m in the continence service and £0.010m in the Family Nurse Partnership.

East HSCP (month 4 information) – projected underspend of £0.141m of which £0.052m will be allocated to North. The overspend is mainly due to:

Primary Care and Out of Hours Services

There is a projected underspend of £0.189m on the Primary Care Lead Partnership budget and includes a projected underspend in Dental services totalling £0.267m, where staffing numbers are running at less than establishment. In addition, there are projected reduced costs within Primary Care contracting and support £0.343m, largely due to staff turnover. These reduced costs are partially offset by additional costs in the GP element of Out of Hours services, as well as additional costs in the overnight nursing service, totalling £0.469m, as well as a small overspend on projected staff costs in Primary Medical Services £0.057m. Work is ongoing to address the Out of Hours increased costs as far as possible over the course of the 2023/24 financial year. This projected outturn position assumes funding will be allocated to fully offset Urgent Care Pathway projected costs £1.254m, as well as Covid-19 Therapeutics projected costs £0.240m

Prison and Police Healthcare

The £0.048m projected overspend at month 4 is largely due to increased costs associated with the new national medical contract.

Set Aside (month 6 info): - preparatory work is well underway with NHS Ayrshire and Arran and the other Ayrshire partnerships to progress and develop the 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 North budget for set aside resources for 2023-24 is £35.547m. This is based on the 2022-23 figure of £34.850m inflated by the 2023-24 uplift of 2%.

The annual budget for Acute Services is £420.6m. The directorate is overspent by £14.5m after 6 months. This 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. Several unfunded wards are open across both main hospital sites.

There is a 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 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 seen the projected year-end position improve by a net £0.590m since Month 3. The main contributors to this are noted in the table below:

	TOTAL
Payroll Turnover – Health (non-Lead)	156,000
Anam Cara staffing	108,000
Care Experienced Young People	519,000
Looked After Children	298,000
Transitions funding	145,000
Care Homes	41,000
Physical Disabilities (Community Packages, Direct Payments and Residential)	199,000
Mental Health Care Packages	222,000

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 and UNPACS.

Work is ongoing to further improve the projected position and an updated plan will be included in the Month 7 report which will be brought to the December IJB. This work is built on the following general principles:

- 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
- The potential for a freeze on non-essential spend.

	<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 £1.986m.</p> <p>The IJB also holds a General Fund reserve balance of £6.448m of unallocated funds, this would underwrite the risk of the remainder of the projected overspend if it cannot be managed downwards in the coming months. This would be a last resort as this funding is non-recurring and it does not resolve the areas underlying the projected overspend.</p>
2.13	<p>FINANCIAL RISKS</p>
	<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 Local Government pay award for 2023-24 has just been settled at the time of writing but has not yet been paid; the increase is in excess of the budgeted 3% and will have an adverse impact on the projected financial position unless additional funding is forthcoming. <p>These risks will be monitored during 2023-24 and any impact reported through the financial monitoring report.</p>
2.14	<p>RESERVES</p>
	<p>The IJB reserves position is summarised in the table below with full detail of the opening position given in Appendix D.</p>

The 'free' general fund balance of £6.448m is held as a contingency balance, this equates to around 2.3% of the initial approved IJB budget for 2023-24 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	HSCP	
	£m	£m	£m	£m	£m
Opening Balance - 1 April 2023	-	6.448	6.997	4.219	17.664
2023-24 Draw Per the Budget Paper	-	-	(1.252)	-	(1.252)
Current Reserve balances	-	6.448	5.745	4.219	16.412

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 £2.0m which was agreed to support the financial position during 2023-24.

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 Measuring Impact

Ongoing updates to the financial position will be reported to the IJB throughout 2023-24.

4. IMPLICATIONS

4.1 Financial

The financial implications are as outlined in the report. Against the full-year budget of £313.383m there is a projected overspend of £3.986m. The report outlines the main variances for individual services.

4.2 Human Resources

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.

Caroline Cameron, Director

Author – Paul Doak, Head of Finance and Transformation
Eleanor Currie, Principal Manager Finance
[pdoak@north-ayrshire.gov.uk/eleanorcurrie@north-ayrshire.gov.uk]

2023-24 Budget Monitoring Report–Objective Summary as at 30th September 2023

Appendix A

Partnership Budget - Objective Summary	2023/24 Budget									(Under) Spend Variance at Period 4	Movement in projected variance from Period 4
	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	70,521	69,517	(1,004)	19,423	20,793	1,370	89,944	90,310	366	240	126
: Locality Services	28,218	27,753	(465)	5,341	5,577	236	33,559	33,330	(229)	38	(267)
: Community Care Service Delivery	36,633	35,940	(693)	0	0	0	36,633	35,940	(693)	(779)	86
: Rehabilitation and Reablement	2,143	2,145	2	0	0	0	2,143	2,145	2	(2)	4
: Long Term Conditions	944	1,003	59	10,392	11,360	968	11,336	12,363	1,027	856	171
: Community Link Workers	185	177	(8)	0	0	0	185	177	(8)	(9)	1
: Integrated Island Services	2,398	2,499	101	3,690	3,856	166	6,088	6,355	267	136	131
MENTAL HEALTH SERVICES	29,844	30,240	396	75,347	76,755	1,408	105,191	106,995	1,804	1,556	248
: Learning Disabilities	22,975	23,635	660	490	490	0	23,465	24,125	660	695	(35)
: Community Mental Health	5,985	5,719	(266)	1,771	1,771	0	7,756	7,490	(266)	(44)	(222)
: Addictions	884	886	2	1,821	1,821	0	2,705	2,707	2	(124)	126
: Lead Partnership Mental Health NHS Area Wide	0	0	0	71,265	72,673	1,408	71,265	72,673	1,408	1,029	379
CHILDREN & JUSTICE SERVICES	34,774	39,654	4,880	4,761	4,897	136	39,535	44,551	5,016	5,600	(584)
: Irvine, Kilwinning and Three Towns	3,082	3,085	3	0	0	0	3,082	3,085	3	(165)	168
: Garnock Valley, North Coast and Arran	3,095	3,022	(73)	0	0	0	3,095	3,022	(73)	(67)	(6)
: Intervention Services	1,838	1,750	(88)	423	423	0	2,261	2,173	(88)	16	(104)
: Care Experienced Children & Young people	23,056	27,796	4,740	0	0	0	23,056	27,796	4,740	5,308	(568)
: Head of Service - Children & Families	1,071	1,371	300	0	0	0	1,071	1,371	300	403	(103)
: Justice Services	2,412	2,412	0	0	0	0	2,412	2,412	0	(16)	16
: Universal Early Years	220	218	(2)	3,698	3,834	136	3,918	4,052	134	121	13
: Lead Partnership NHS Children's Services	0	0	0	640	640	0	640	640	0	0	0
CHIEF SOCIAL WORK OFFICER	1,859	1,475	(384)	0	0	0	1,859	1,475	(384)	(389)	5
PRIMARY CARE	0	0	0	52,995	52,995	0	52,995	52,995	0	(41)	41
ALLIED HEALTH PROFESSIONALS	0	0	0	10,200	10,200	0	10,200	10,200	0	0	0
COVID NHS	0	0	0	0	(274)	(274)	0	(274)	(274)	(274)	0
MANAGEMENT AND SUPPORT COSTS	8,710	7,404	(1,306)	3,611	3,161	(450)	12,321	10,565	(1,756)	(2,313)	557
NATIONAL COMMISSIONED SERVICE	0	0	0	3	3	0	3	3	0	0	0
FINANCIAL INCLUSION	1,335	1,332	(3)	0	0	0	1,335	1,332	(3)	0	(3)
OUTTURN ON A MANAGED BASIS	147,043	149,622	2,579	166,340	168,530	2,190	313,383	318,152	4,769	4,379	390
Return Hosted Over/Underspends East	0	0	0	0	(461)	(461)	0	(461)	(461)	(337)	(124)
Return Hosted Over/Underspends South	0	0	0	0	(403)	(403)	0	(403)	(403)	(294)	(109)
Receive Hosted Over/Underspends South	0	0	0	0	133	133	0	133	133	163	(30)
Receive Hosted Over/Underspends East	0	0	0	0	(52)	(52)	0	(52)	(52)	(52)	0
OUTTURN ON AN IJB BASIS	147,043	149,622	2,579	166,340	167,747	1,407	313,383	317,369	3,986	3,859	127

2023-24 Savings Tracker

Appendix B

Savings ref number	Description	Deliverability Status at budget setting	Deliverability Status at month 6	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	Green	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 6	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 6	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	Green	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	T	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
Social Care Budget Reported at Month 6			147.043
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			167.853
Baseline Funding Increase			2.164
Adjust for recurring funding			7.629
Adjust for non-recurring			2.434
Resource Transfer			(23.597)
2023/24 Opening Position			156.483
Net impact of Pan Ayrshire Pressures	1	P	0.028
Top Slicing Posts 2022-23	2		(0.054)
MDT Funds to Arran Medical Group	3		(0.033)

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

Drug Tarif Anticipate 2023-24	6		0.525
North HSCP Medical Pay Award 23/24	6		0.532
Roundings	6		(0.003)
Anticipated budgets included in the report but not yet in the ledger	6		6.717
Health Budget Reported at Month 6			166.340
TOTAL COMBINED BUDGET			313.383