

Subject:	Budget Monitoring – Month 6 (September 2018)
Purpose:	To provide an update on the projected financial outturn for the financial year as at September 2018.
Recommendation:	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none"> a) Note the projected year-end overspend of £0.458m; b) Note the favourable movement in the projected outturn position and the future financial risk of further movement; c) Approve the alternative saving as detailed in para 2.10; d) Consider approval of the changes in funding as detailed in section 2.12 and Appendix E; and e) Note the impact of the financial recovery plan and the progress being made in delivering financial balance.

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
ARG	Allocation of Resources Group
CRES	Cash Releasing Efficiency Savings

1.	EXECUTIVE SUMMARY
1.1	This report reflects the position as at 30 September 2018. The report provides an overview of the financial position 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 by the IJB that although this report refers to the position at the September period end that 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 £0.458m for 2018-19, taking account a number of mitigating actions outlined in the report and the improvement from implementation of the financial recovery plan. There is scope for this position to fluctuate due to in-year cost and demand pressures and assumptions in relation to funding and the achievement of savings. The position as at August was a projected overspend of £1.247m therefore a significant improvement in the position is now reported.

	<p>The improvement in the projected outturn position is encouraging, it should be noted that the improvement is due to a number of factors:</p> <ul style="list-style-type: none"> • the impact of the financial recovery plan where to date £0.740m of the mitigation has been achieved; • a slowing down of expenditure and commitments by services, for example the level of vacancy savings continues to increase; • closer scrutiny and review of the Health projections during period 6, which has resulted in the Health element of the budget reporting an overall projected underspend; • unanticipated benefits, for example the impact of the reallocation of AHPs. <p>There are further actions on the financial recovery plan which will potentially further improve the position and services will continue to deploy tight financial management controls. If the financial recovery plan does not deliver the required improvement to the financial position there is a risk that further actions will require to be identified and service quality and performance may be compromised to achieve financial balance.</p>
1.3	<p>Overall the main areas of pressure continue to be care homes, looked after children, learning disability care packages, elderly and adult in-patients within the lead partnership and the unallocated NHS CRES savings.</p> <p>The main adverse movements from period 5 are in relation to children’s residential placements and psychiatry. The main favourable movements are in relation to care homes (respite placements), AHP employee costs, CAMHS, UnPACs and early years.</p>
1.4	<p>The projected financial position assumes that the remaining balance of unallocated CRES for 2018-19 (£1.668m) will not be met in 2018-19. This balance will be formally addressed as part of the planning for the 2019-20 budget. Paragraph 2.12 outlines the Health Board plan to delegate a further saving to the HSCP in relation to workforce of £0.055m, if this is accepted by the IJB this would require to be added to the unallocated CRES balance and reflected in the period 7 position.</p>
1.5	<p>It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on this basis. Financial balance has not been delivered in previous years and in the current financial year there is a projected overspend position. More is being done to ensure the financial sustainability of the partnership and to deliver financial balance for the current year. The service transformation programme and the delivery of the those service changes will be at the forefront as this will have the greatest impact on the delivery of financial balance and the ongoing sustainability and safety of services.</p>
1.6	<p>There have been recent announcements by the Scottish Government in relation to NHS funding and financial planning, the implications for the IJB are noted in the report. The IJB require to commence planning for the budget for 2019-20 onwards, a budget outlook will be presented to the IJB in December. There is a great deal of uncertainty around the funding for further years and there is expected to be some clarity following the Scottish Government budget on 12 December.</p> <p>Services have commenced planning for the future financial challenges and are currently developing service transformation plans to ensure the IJB are able to approve a balanced budget by 31 March. This work will be shared with the IJB in the coming months.</p>

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, an update on progress in terms of savings delivery, actions required to work towards financial balance and progress with delivery of the recovery plan.
	FINANCIAL PERFORMANCE
2.2	<p>Against the full-year budget of £234.681m there is a projected overspend of £0.458m (0.2%). 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 £0.735m in social care services partly offset by a projected underspend of £0.277m 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 with detailed analysis provided in Appendix B.</p>
2.3	Health and Community Care Services
	<p>Against the full-year budget of £65.279m there is a projected underspend of £0.156m (0.2%). The main reasons for the projected underspend are:</p> <ul style="list-style-type: none"> a) Care home placements including respite placements – projected to overspend by £0.920m. This is a favourable movement of £0.264m from period 5 due to reduced use of respite placements and a reduction in permanent placements. b) Independent Living Services are projected to overspend by £0.294m. c) Over-recovery of Charging Order income of £0.290m. d) Equipment and Adaptations are projected to underspend by £0.200m in line with the mitigation approved in period 4. e) Packages of care are projected to overspend by £0.223m due to the use of supplementary staffing (reduced in period 5) and one additional package assumed from early 2019 onwards. f) Care at home (purchased and in house) projected underspend of £0.660m. The projected underspend has increased by £0.057m. g) Long Term Conditions (Ward 1), projected overspend of £0.407m which is mainly due to an overspend in employee costs to ensure staffing levels are at a safe level. This is a recurring pressure for which funding requires to be identified, this will be addressed as part of the 2019-20 budget process.
2.4	Mental Health Services
	<p>Against the full-year budget of £72.959m there is a projected overspend of £0.370m (0.5%). The main reasons for the projected overspend are:</p> <ul style="list-style-type: none"> a) Learning Disabilities – projected overspend of £0.757m of which £0.696m is in relation to care packages and £0.228m for direct payments.

b) Community Mental Health – is projected to underspend by £0.329m mainly due to vacancy savings and an underspend in care packages.

c) Lead Partnership – overall projected overspend of £0.026m which consists of:

Overspends:

- Adult inpatients £0.457m - mainly due to the delay in generating income from other areas in respect of forensic beds. All of the beds are expected to be sold and in use by the end of January 2019. The recovery plan assumes a fifth bed will be sold prior to the end of the financial year. This is dependent on ensuring delayed discharges in ward 6 are discharged to the community. This is a risk as some of the delayed discharges are South partnership patients and would require SAHSCP to provide funding to facilitate the discharge.
- Psychiatry £0.122m - primarily due to locum costs, an unfunded EMH liaison post and a reduction in funding for trainee psychiatrists. There is an increased use of locum staff in the absence of being able to recruit permanent posts.
- Elderly Inpatients £0.419m – this has increased from period 5 as the anticipated reduction in the use of supplementary staffing has not been fully achieved.
- CRES £0.986m - lead partnership share of the unachieved CRES carried forward, this element of the historic CRES will remain aligned to the Mental Health lead partnership and will be addressed as part of the budget planning for 2019-20.

Underspends:

- UNPACS £0.340m – the underspend has increased since period 5 due to the delay in the two new care packages assumed in year. The underspend is partially attributable to the availability and use of beds in ward 6 which have prevented more costly external placements.
- Learning Disabilities £0.261m - due to a delay in the transfer of an UnPACs patient.
- CAMHS £0.370m – due to vacancies and delays with recruitment.
- Psychology £0.430m – due to vacancies.

2.5

Children Services & Criminal Justice

Against the full-year budget of £34.986m there is a projected underspend of £0.247m (0.7%). The main reasons for the projected underspend are:

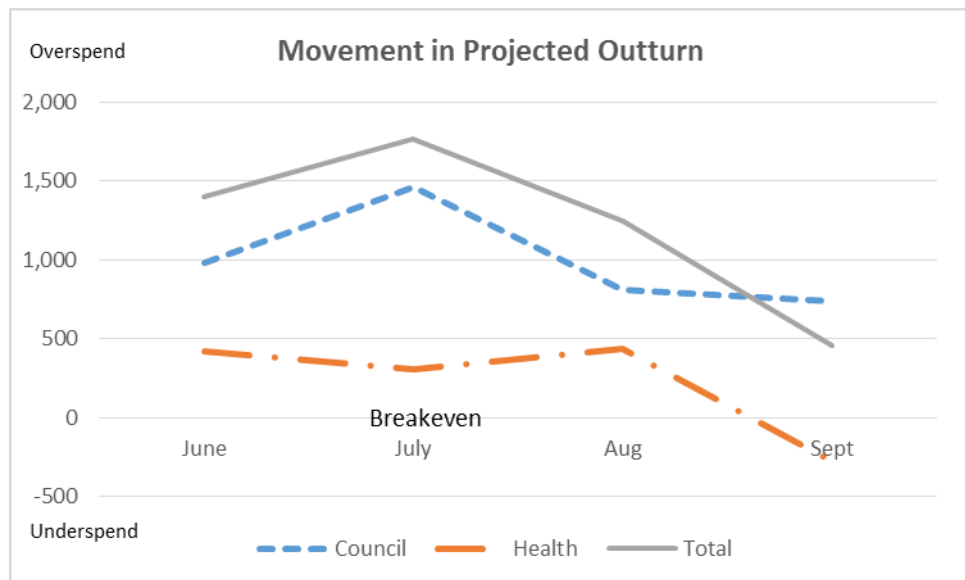
a) Residential Schools and Community Placements – projected overspend of £0.743m. The projection is based on the current number of placements and estimated discharge dates for each placement based on targeting the support from the Challenge Fund investment. The overspend has increased by £0.263m due to a delay in the planned discharge dates, the delivery of further planned discharges continues to be a risk to the projected outturn position.

- b) Looked After Children Placements – projected underspend of £0.434m due to the current demand for fostering, adoption and kinship payments. The underspend has increased by £0.072m mainly due to a reduction in the assumptions on future demand.
- c) Early Years – are projected to underspend by £0.469m mainly due to the level of vacancies with health visiting. The underspend has increased since period 5 following the detailed review of the NHS budgets which was undertaken in period 6.

2.6 There are a number of areas across all services which have been reported as variances for a period of time. A review of the budget allocations across services is ongoing to ensure budgets are aligned to current and future spending plans and to ensure that the financial reporting is enabling those operationally managing budgets, Heads of Service and ultimately the IJB are focussed on the main issues. These variances will be actioned in period 7, to ensure realignment prior to the budget being rolled forward to 2019-20.

2.7 Projected Outturn Movement

The movement in the projected outturn position is illustrated in the chart below:



The position has fluctuated significantly in the four months of reporting this financial year. This is reflective of the demand driven nature and high cost of some services. The fluctuation from period 5 for Health follows a comprehensive review of the projections for month 6 which resulted in a more significant movement in the projected outturn, but also a more realistic and informed projection of the year-end outturn position.

There are a number of high risk areas that may impact on the movement in the projected outturn position in future months:

- Children’s Residential School Placements
- Remand Placements within Children’s Services
- Learning Disability Care Packages
- Local Government pay award settlement
- Impact of any delays in discharge of South Ayrshire patients
- Impact of Lead Partnership services

2.8 **Primary Care - Prescribing**

Against a full year budget of £49.308m primary care prescribing and general medical services are projected to be underspend by £0.086m, this is in relation to an underspend in enhanced services.

2.9 **CRES update**

	Permanent or Temporary	£ 000's
CRES Saving brought forward		2.557
Arrol Park employee costs	T	(0.250)
Payroll turnover target increase	T	(0.215)
Addictions	P	(0.364)
Children's services employee costs	P	(0.060)
Balance still to be achieved in 2018-19		1.668

Of the £1.668m still to be achieved £0.986m is allocated to the Lead Partnership for Mental Health and the balance of £0.682m is aligned across all other services and is reported against Management and Support costs.

Given that overall there is a projected underspend in the Health element of the budget the unidentified CRES savings are being offset on a non-recurring basis for 2018-19. There is a requirement to formally identify these savings as part of the 2019-20 budget process.

The £0.986m aligned to the Lead Partnership against Mental Health services should remain aligned to those services. The service are developing plans to re-design Elderly Mental Health beds, this will deliver significant savings to contribute to this target. The business case for the review will be brought to a future IJB meeting for approval.

The remaining CRES target of £0.682m will also be formally allocated as part of the 2019-20 budget.

2.10 **Savings Progress**

a) The 2018-19 budget included £4.003m of savings plus £2.557m of carried forward NHS CRES savings.

BRAG Status	Position at Budget Approval £m	Position at Period 6 £m
Red	3.148	2.329
Amber	0.519	0.689
Green	2.893	0.676
Blue	0.000	2.866
TOTAL	6.560	6.560

b) The projected year-end outturn position assumes that the Red savings will not be delivered as planned and this is reflected in the overall projected outturn position, these are:

- i. Reduction in care home places £0.391m
- ii. Challenge Fund – physical disability care packages £0.200m

	<ul style="list-style-type: none"> iii. Capping of respite £0.070m iv. NHS CRES savings carried forward £1.668m <p>If progress is made to deliver the savings this would improve the overall outturn position. It is encouraging that the level of savings with red status has reduced since the budget was approved, recognising a greater level of confidence of delivery and the progress made so far with identifying savings against the CRES target.</p> <p>c) A saving of £0.008m was agreed against the Harbour Centre day service. It is proposed that this saving is replaced by a contract saving against the WRVS service.</p> <p>A Transformation Board is in place to provide oversight and governance to the programme of service change. A focus of the Board is to ensure plans are in place to deliver savings and service change, with a solutions focussed approach to bringing programmes back on track.</p> <p>The projected position at September 2018 assumes that all remaining savings on the plan will be delivered. The progress with savings requires to be closely monitored to ensure the impact on the financial position can be assessed and corrective action taken where necessary. Appendix C provides full detail on the savings.</p>
2.11	Financial Recovery Plan
	<p>The IJB approved the recovery plan in August and progress against this is provided in appendix D. The impact of the plan so far has been to improve the financial position by £0.740m.</p> <p>There are a number of additional actions noted on the plan for which the financial impact cannot be quantified at this stage but these actions are expected to contribute positively to the financial position.</p> <p>The plan will be an iterative document to remain under review. Progress with the financial recovery plan will continue to be monitored to ensure it has the required impact. There is a risk that if the planned impact is not achieved that further actions will require to be added to the plan and these may include actions that would impact on the quality and performance of front line services.</p>
2.12	Budget Changes
	<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 E highlights the movement in the overall budget position for the partnership following the initial approved budget.</p> <p>A significant movement during period 6 is the reallocation of resources for Allied Health Professionals (AHPs), as these are no longer managed on a lead partnership basis by the South HSCP. This has resulted in an overall increase of £4.570m to the North partnership budget and has impacted positively on the projected outturn position. Most of the budgets have been delegated back to the partnerships with some further work being undertaken for some staff groups and non-staff budgets. NHS A&A</p>

are to provide a report to the partnerships on the impact of the transfer. However currently we have assurance that due diligence has been undertaken by the North AHP Lead that the appropriate budget has been allocated in line with the posts being transferred. If there are any issues these will be highlighted to the IJB.

Reductions Requiring Approval:

The specific reductions that the IJB are required to approve are:

- Reduction in the MH supplies budget £0.072m. The employee costs for the MH admin teams were previously allocated across the three partnership. This reduction relates to the transfer of the non-employee costs.
- The GP prescribing budget has reduced by £0.567m as the previous budget was an NRAC share pending the detailed practice level budgets being calculated. In addition there has been a re-alignment of savings between the New Medicines Fund and primary care prescribing which has resulted in a virement of £1.5m across NHS A&A from GP prescribing. The Health Board remain responsible for any over or underspend on the primary care prescribing budget.

It is recommended that the IJB approve the budget reductions outlined above.

Planned Reductions:

There is a proposal by NHS Ayrshire and Arran to allocate a pro-rata share of additional workforce savings to the partnerships, based on an NHS A&A target of £3m the North Ayrshire share was previously indicated to be £0.435m. Following further discussions with NHS A&A this has been reduced to £0.055m, which reflects the Health Board using funding other funding available to mitigate the impact on the North partnership in recognition of the significant value of CRES savings still to be identified.

The IJB are asked to consider the approval of a reduction of £0.055m to the budget, if approved by the IJB this will be added to the unidentified CRES balance in month 7.

Future Planned Changes:

Further areas which are outstanding and will be included in future reports include:

- The North Ayrshire share of the Intermediate Care and Rehab (ICR) investment;
- The disaggregation of some mental health wards from the lead partnership arrangement.

2.13	Lead Partnerships
	<i>North Ayrshire HSCP</i> Services managed under Lead Partnership arrangements by North Ayrshire Health and Social Care Partnership are projected to be £0.012m overspent, this includes the allocation of the unachieved CRES target carried forward.
	<i>South Ayrshire HSCP</i> Services hosted and/or led by the South Partnership are forecast to overspend by £0.17 million as at month 6. This is £0.12 million on the Community Equipment Store and £0.05 million on Allied Health Professionals. The relevant budgets for Allied Health Professionals were devolved to North and East Partnerships in month 6, which

	<p>has improved the financial position of both. A corresponding deterioration is reported in the South Partnership.</p> <p>Historic precedent has been that NHS Ayrshire has funded overspends in hosted and lead services. The approach in 2018-19 has yet to be formally determined.</p>
	<p>East Ayrshire HSCP Services managed under Lead Partnership arrangements by East Ayrshire Health and Social Care Partnership are projected to overspend by £1.2m.</p> <p>The overall Primary Care Lead Partnership projected overspend is £1m and this mainly relates to additional payments within Primary Medical Services to GP practices currently experiencing difficulty. This pressure was offset in the previous financial year by non-recurring savings. Three GP practices are still in HB control at month 6 resulting in significant additional expenditure for the year to date. The position is expected to improve from November as the Three Towns Medical Practice returns to being operated as a 17c practice.</p> <p>Ayrshire Urgent Care Services (AUCS) is projected to overspend by £0.200m which is after £0.350m of CRES savings have been applied.</p>
	<p>Further work is being taken forward to develop a framework to report the financial position and impact of risk sharing arrangements across the 3 partnerships in relation to hosted or lead service arrangements. This is to ensure the IJB are fully sighted on the impact for the North Ayrshire partnership. The IJB will be kept informed of progress with this work which is being progressed by the Ayrshire Partnership Finance Leads.</p>
2.14	<p>Set Aside</p> <p>The Integration Scheme makes provision for the Set Aside Budget to be managed in-year by the Health Board with any recurring over or under spend being considered as part of the annual budget setting process.</p> <p>The 2018-19 set aside budget for North HSCP is £28.055m, based on expenditure in 2017-18. The acute directorate, which includes the areas covered by the set aside budget, is projected to overspend of circa £10m.</p> <p>129 additional and unfunded beds were open at the 31st March 2018. This had reduced to 35 by the 30th September 2018. There are clear plans in place to reduce these in a phased manner ensuring continuation of service and patient safety.</p> <p>During 2017-18 the North Partnerships use of the set aside resources was £28.055m against the NRAC 'fair share' of £26.563m which is £1.492m above the 'fair share'. There is an expectation that the North Partnership will move towards its 'fair share'. Further work is required to ensure that the Set Aside budget is operating in line with Scottish Government expectations and is operating in the way required to ensure the IJB can have the desired impact on the whole pathway of care.</p>
2.15	<p>Ministerial Statement – Health Financial Planning</p>
	<p>The IJB requested clarification on the Health Minister's announcement in terms of NHS debts and whether this includes unmet NHS funding through IJBs.</p>

The Director of Health Finance has written to NHS Chief Executives and Directors of Finance to outline the implications for Health Boards, the key points are:

- Boards will require to break-even over a three-year period, in each year Boards will have flexibility to underspend or overspend by up to 1%;
- From the start of 2019-20 the Scottish Government will not seek to recover historic brokerage, this will include the brokerage incurred to the end of 2018-19;
- Boards anticipating brokerage for 2018-19 will ensure no further increase in brokerage requirement in-year.

In terms of the implications for the IJB, these can be summarised as follows:

- No impact on our current year budget or financial position, historic CRES savings targets are not part of the brokerage requirement and form part of our baseline budget allocation;
- As part of the estimated brokerage requirement for 2018-19 NHS A&A are assuming that the HSCP will deliver financial balance this year;
- Write-off of brokerage for this and previous financial years removes the financial risk of a share of any repayment of brokerage in future years being allocated to the IJB.

The message communicated to Health Boards is that they will all be starting with a “clean slate” from 1 April 2019, however the reality is that for those Boards requiring brokerage this year (including NHS A&A) they will be starting the new financial year with a deficit.

A budget outlook report for 2019-20 onwards will be presented to the IJB in December, where the implications will be considered further.

3.	PROPOSALS
3.1	<u>Anticipated Outcomes</u>
	<p>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 2018-19 from within the available resource, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.</p> <p>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.</p>
3.2	<u>Measuring Impact</u>
	Updates to the financial position will be reported to the IJB throughout 2018-19.

4.	IMPLICATIONS
Financial:	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £234.681m there is a projected overspend of £0.458m (0.2%). The report outlines the action being taken and proposed action to reduce the projected overspend.</p> <p>The recovery plan totals £1.255m with £0.740m delivered to date. There are a number of other actions are being progressed to reduce the overspend further.</p> <p>There is a financial risk to the IJB in relation to the Lead Partnership arrangements, the implications are unclear at this stage.</p>
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People	None
Environmental & Sustainability:	None
Key Priorities:	None
Risk Implications:	If the financial recovery plan does not deliver the required improvement to the financial position there is a risk that further actions will require to be identified and service quality and performance may be compromised to achieve financial balance.
Community Benefits:	None

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

4.	CONSULTATION
4.1	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>The report is shared with the Director of Finance for NHS Ayrshire and Arran and the Executive Director Finance and Corporate Support for North Ayrshire Council.</p>
5.	CONCLUSION
5.1	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none"> a) Note the projected year-end overspend of £0.458m; b) Note the favourable movement in the projected outturn position and the future financial risk of further movement; c) Approve the alternative saving as detailed in para 2.10; d) Consider approval of the changes in funding as detailed in section 2.12 and Appendix E; and

e) Note the impact of the financial recovery plan and the progress being made in delivering financial balance.
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2018-19 Budget Monitoring Report–Objective Summary as at 30 September 2018

Appendix A

Partnership Budget - Objective Summary	2018/19 Budget									2018/19	
	Council			Health			TOTAL			Over/ (Under) Spend Variance at Period 5	Movement in projected budget variance from Period 5
	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance	Budget	Projected Outturn	Projected Over/ (Under) Spend Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNITY CARE AND HEALTH	53,591	53,324	(267)	11,688	11,799	111	65,279	65,123	(156)	243	(399)
: Locality Services	24,708	25,331	623	4,178	4,246	68	28,886	29,577	691	946	(255)
: Community Care Service Delivery	25,793	25,180	(613)	0	0	0	25,793	25,180	(613)	(590)	(23)
: Rehabilitation and Reablement	1,050	879	(171)	1,437	1,286	(151)	2,487	2,165	(322)	(223)	(99)
: Long Term Conditions	1,735	1,604	(131)	4,315	4,560	245	6,050	6,164	114	136	(22)
: Integrated Island Services	305	330	25	1,758	1,707	(51)	2,063	2,037	(26)	(26)	0
MENTAL HEALTH SERVICES	23,514	24,283	769	49,445	49,046	(399)	72,959	73,329	370	391	(21)
: Learning Disabilities	18,000	18,885	885	477	349	(128)	18,477	19,234	757	695	62
: Community Mental Health	4,131	4,050	(81)	1,628	1,380	(248)	5,759	5,430	(329)	(287)	(42)
: Addictions	1,383	1,348	(35)	1,226	1,177	(49)	2,609	2,525	(84)	(88)	4
: Lead Partnership Mental Health NHS Area Wide	0	0	0	46,114	46,140	26	46,114	46,140	26	71	(45)
CHILDREN'S AND JUSTICE SERVICES	31,463	31,606	143	3,523	3,133	(390)	34,986	34,739	(247)	(146)	(101)
: Intervention Services	3,772	3,684	(88)	303	317	14	4,075	4,001	(74)	(19)	(55)
: Looked After & Accomodated Children	15,980	16,336	356	0	0	0	15,980	16,336	356	157	199
: Fieldwork	4,588	4,609	21	0	0	0	4,588	4,609	21	(14)	35
: CCSF	319	277	(42)	0	0	0	319	277	(42)	(44)	2
: Justice Services	2,655	2,655	0	0	0	0	2,655	2,655	0	0	0
: Early Years	321	242	(79)	2,847	2,457	(390)	3,168	2,699	(469)	(200)	(269)
: Policy & Practice	3,828	3,803	(25)	0	0	0	3,828	3,803	(25)	15	(40)
: Lead Partnership NHS Children's Services Area Wide	0	0	0	373	359	(14)	373	359	(14)	(41)	27
PRIMARY CARE	0	0	0	49,308	49,222	(86)	49,308	49,222	(86)	0	(86)
ALLIED HEALTH PROFESSIONALS				4,570	4,418	(152)	4,570	4,418	(152)	0	(152)
MANAGEMENT AND SUPPORT COSTS	5,132	5,250	118	515	1,074	559	5,647	6,324	677	714	(37)
CHANGE PROGRAMME	658	630	(28)	1,274	1,354	80	1,932	1,984	52	45	7
TOTAL	114,358	115,093	735	120,323	120,046	(277)	234,681	235,139	458	1,247	(789)

2018-19 Budget Monitoring Report – Detailed Variance Analysis per service

Appendix B

	Budget £000's	Projected Outturn £000's	Projected Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	65,279	65,123	(156)	
Locality Services	28,886	29,577	691	<p>Older People permanent care homes - permanent placements are projected overspend of £0.917m based on 836 placements (583 Nursing and 253 Residential) and an assumption that placements are on a one in one basis to the end of the year. Favourable movement of £0.184m, reduction of 11 places from prior month. Respite care projected overspend of £0.003m, favourable movement of £0.081m based on the spend to date. This also reflects the £0.300m of agreed funding from the Carers allocation which was agreed as part of the recovery plan in period 4.</p> <p>Independent Living Services :</p> <ul style="list-style-type: none"> * Direct Payment packages projected underspend of £0.092m on 62 current packages. * Indirect Payment packages no charges to date, projected underspend £0.045m based on prior year spend. * Adult respite care projected overspend £0.050m based on current spend to date. * Residential Packages projected underspend of £0.025m based on 37 current packages and an expected net decrease in packages of 3. * Community Packages (physical disability) overspend of £0.406m based on 64 current packages, and an expected decrease of 3 packages. <p>Equipment Budget - £0.318m budget for equipment- projected £0.100m underspend in line with approved mitigation.</p> <p>Employee costs - projected £0.188m underspend: Money Matters structure approved resulting in part year vacancies.</p> <p>NHS Packages of Care - projected overspend of £0.223m due to high use of supplementary staffing.</p> <p>District Nursing - projected underspend of £0.173m assuming Band 6 vacancies are filled.</p> <p>Income from Charging Orders - over recovery of £0.290m expected as per previous 3 years trends.</p>
Community Care Service Delivery	25,793	25,180	(613)	<p>Care at home</p> <ul style="list-style-type: none"> - in house service - projected underspend of £0.339m based on current costs. The cost of recruiting 30 staff in October and November will be funded by a reduction in casual and overtime costs. - Purchased Care at home - projected underspend of £0.321m based on current level of spend continuing to end of year. <p>Direct Payments - projected underspend of £0.056m based on 33 current package less 10% expected recovery from underspent balances.</p> <p>Transport costs - projected overspend of £0.084m due to increase in staff mileage within care at home and ferry charges.</p> <p>Admin costs - projected overspend of £0.086m mainly due to mobile phone equipment.</p> <p>Voluntary Organisations - projected overspend £0.064m (CLASP HOPE £0.020m and Alzheimer £0.044m).</p> <p>Income - projected over recovery £0.146m based on current receipts and an increase in Community Alarm income.</p>

	Budget £000's	Projected Outturn £000's	Projected Over/ (Under) Spend Variance £000's	
Rehabilitation and Reablement	2,487	2,165	(322)	Employee costs - projected underspend £0.213m due to vacancies. Adaptations Budget - £0.487m - projected £0.100m underspend in line with approved mitigation.
Long Term Conditions	6,050	6,164	114	Carers Centres - projected £0.100m underspend based on additional funding for the Carers Strategy. Ward 1 - projected overspend of £0.407m assuming current staffing levels continue. Ward 2 - projected underspend of £0.053m, assuming funding from East HSCP for Kirklandside Ward. Elderly CMHT - projected underspend of £0.101m assuming current staffing levels continue.
Integrated Island Services	2,063	2,037	(26)	Outwith the threshold for reporting
MENTAL HEALTH SERVICES	72,959	73,329	370	
Learning Disabilities	18,477	19,234	757	Residential Packages - projected underspend of £0.041m based on current 38 packages £2.436m less 2% invoice variances. Community Packages - projected overspend of £0.696m based on current 341 packages less 9.75% invoice variances and a net movement in year of 7 new packages. Challenge Fund savings of £0.256m expected to be achieved. Direct Payments - projected overspend of £0.228m based on 41 current packages less 10% underspent balances and an expected increase of 5 packages in year. Employee costs - projected underspend £0.211m mainly due to vacant posts Income - projected under recovery of £0.100m based on current receipts and no income from other local authorities for use of Taigh Mor respite service as this is being fully utilised to meet the respite needs of North service users.
Community Mental Health	5,759	5,430	(329)	Community Packages - projected underspend of £0.105m based on 99 packages less assumed invoice differences between planned and actual service delivered plus a net increased of 1 package. Employee costs - projected underspend £0.236m mainly due to vacant posts
Addictions	2,609	2,525	(84)	Addictions Team - projected underspend of £0.049m due to in year vacancies. Assumes that any ADP underspend will require to be carried forward for use in future years.

	Budget £000's	Projected Outturn £000's	Projected Over/ (Under) Spend Variance £000's	
Lead Partnership (MHS)	46,114	46,140	26	<p>Adult Community - projected underspend of £0.079m due to vacancies in the crisis team.</p> <p>Adult Inpatients- projected overspend of £0.457m due to a delay in bed sale income. The projection assumes three low secure beds from November and a further bed from January.</p> <p>UNPACs - projected to underspend by £0.340m. Assumption that there will be no change to NHS GG&C charge and there will be 2 new care packages in-year.</p> <p>LDS - projected to underspend by £0.261m due to delay in UNPACs transfer.</p> <p>Elderly Inpatients - projected to overspend by £0.347m due to use of supplementary staff.</p> <p>CAMHS - projected underspend is £0.370m based on projected staffing levels.</p> <p>MH Admin - projected underspend of £0.076m. This is after the transfer of services to East and South.</p> <p>Psychiatry - projected to overspend by £0.122, primarily due to locums and a reduction in Dean funding. EMH Liaison post remains unfunded.</p> <p>MH Pharmacy - projected to underspend by £0.108m mainly within substitute prescribing due to the benefit on over-accrual in 2017-18.</p> <p>Psychology- projected to underspend by £0.430m based on projected staffing levels.</p> <p>CRES target - projected overspend of £0.986m in relation to savings still to be identified.</p> <p>Projected underspends in other areas - include Associate Nurse Director budgets £0.033m, slippage on mental health allocations of £0.070m and resource transfer reserve £0.098m.</p>
CHILDREN'S SERVICES AND CRIMINAL JUSTICE	34,986	34,739	(247)	
Intervention Services	4,075	4,001	(74)	<p>Employee costs - projected underspend £0.160m mainly due to vacant posts.</p> <p>Care Leavers - projected overspend Of £0.057m based on current number of service users.</p>

	Budget £000's	Projected Outturn £000's	Projected Over/ (Under) Spend Variance £000's	
Looked After & Accom Children	15,980	16,336	356	<p>Looked After Children placements - projected underspend of £0.434m based on the following:-</p> <p>Kinship - projected overspend of £0.162m. Budget for 302 placements, currently 309 placements and projecting 320 by the year end.</p> <p>Adoption - projected underspend of £0.028m. Budget for 78 placements, currently 68 placements and projecting 71 by the year end.</p> <p>Fostering - projected underspend of £0.320m. Budget for 140 placements, currently 121 placements and projecting 130 placements by the year end.</p> <p>Fostering Xtra - projected underspend of £0.162m. Budget for 32 placements, currently 26 placements and projecting 26 by the year end.</p> <p>Private fostering - projected underspend of £0.079m. Budget for 16 placements, currently 11 placements and projecting 12 by the year end.</p> <p>Fostering respite- projected on-line.</p> <p>IMPACCT carers - projected underspend of £0.007m based on 3 carers providing support for full year.</p> <p>Adoption Fees - projected overspend of £0.070m due to external agency fees and 2 placements from other Councils.</p> <p>Residential School placements including community packages - projecting an overspend of £0.743m. Projection based 2 current secure placements, one projected to November, one projected to March. 25 residential and community placements projected to leave as 2 in October, 1 in November, 3 in December, 6 in January and 1 from February with 12 placements remaining at March 2019.</p> <p>Remand budget of £100k, at present projection assumes this will be spent</p> <p>Employee Costs - projected underspend of £0.088m due to vacancies.</p>
Fieldwork	4,588	4,609	21	Outwith the threshold for reporting
CCSF	319	277	(42)	Outwith the threshold for reporting
Criminal Justice	2,655	2,655	0	Assumed to come in line with budget
Early Years	3,168	2,699	(469)	<p>Employee costs - projected underspend of £0.415m due to vacancies.</p> <p>CAMHS budget - projected underspend of £0.056m</p>
Policy & Practice	3,828	3,803	(25)	Outwith the threshold for reporting
Lead Partnership (CS & CJ)	373	359	(14)	Outwith the threshold for reporting

	Budget £000's	Projected Outturn £000's	Projected Over/ (Under) Spend Variance £000's	
PRIMARY CARE	49,308	49,222	(86)	Prescribing - projected underspend of £0.086m based on activity to date.
ALLIED HEALTH PROFESSIONALS	4,570	4,418	(152)	Employee costs - projected underspend due to vacancies.
Management & Support Services	5,647	6,324	677	CRES savings - projected overspend of £0.682m relating to CRES savings still to be identified.
CHANGE PROGRAMME and challenge Fund	1,932	1,984	52	Employee costs - projected underspend due to vacancies.
TOTAL	234,681	235,139	458	

Threshold for reporting is + or - £50,000

North Ayrshire Health and Social Care Partnership 2018/19 Savings

Appendix C

Council Commissioned Services

Service	Description	RAG Status at budget setting	Updated Rag Status	Gross Saving 2018/19 £000's	Net Saving 2018/19 £000's	Net Saving Projected to be Achieved at Period 6 £000's	Projected Shortfall
Children & Criminal Justice	Children & Criminal Justice Challenge Fund Projects - Investment in Universal Early Years	Green	Amber	100	47	47	-
Children & Criminal Justice	Children & Criminal Justice Challenge Fund Projects - School-based Approach to Reducing Looked After (LAC)/Looked After and Accommodated Numbers(LAAC)	Green	Amber	200	106	106	-
Children & Criminal Justice	Children & Criminal Justice Challenge Fund Projects - Reduction in Needs for Residential School placements enhancing our community supports with a new team.	Green	Amber	536	340	340	-
Children & Criminal Justice	Children & Criminal Justice Challenge Fund Projects - Expansion of the Multi Agency Assessment and Screening Hub (MAASH)	Green	Amber	37	26	26	-
Children & Criminal Justice	Reallocation of Partnership Forum budget with associated savings	Green	Blue	40	40	40	-
Children & Criminal Justice	To reduce the Learning and Development team	Amber	Blue	75	75	75	-
Children & Criminal Justice	Reduction in Staffing	Green	Blue	25	25	25	-
Children & Criminal Justice	To discontinue the mentoring project for young people	Green	Green	25	25	25	-
Community Care & Health	Community Care & Health Challenge Fund Projects - Physical Disabilites	Green	Red	200	200	-	200
Community Care & Health	Community Care & Health Challenge Fund Projects - Reablement	Green	Blue	228	181	181	-
Community Care & Health	Reduction in staff from the Arran social work team	Amber	Blue	13	13	13	-
Community Care & Health	Withdrawal of funding to Crossroads, Largs	Green	Blue	14	14	14	-
Community Care & Health	Additional projected income	Green	Green	155	155	155	-
Community Care & Health	Harbour Centre Day Service, Alzheimers - closure of weekend service (note and approve the alternative saving in the report)	Green	Blue	8	8	8	-
Community Care & Health	Reduction in Care Home Placements - proposal to reduce 25 placements.	Red	Red	391	391	-	391
Community Care & Health	Reduction in Care at Home	Red	Blue	200	200	200	-

Service	Description	RAG Status at budget setting	Updated Rag Status	Gross Saving 2018/19 £000's	Net Saving 2018/19 £000's	Net Saving Projected to be Achieved at Period 6	Projected Shortfall
Mental Health	Mental Health - Challenge Fund Projects	Green	Green	226	226	226	-
Mental Health	Redesign and recommission a mental health support service at a reduced cost.	Amber	Blue	30	30	30	-
Mental Health	Reduction in Caley Court Learning Disability Team.	Amber	Green	48	48	48	-
Mental Health	Reduction in staff at Hazeldene Day service	Amber	Green	35	35	35	-
Management & Support	Review all support secondments/posts which could be provided by parent organisations to the HSCP.	Amber	Blue	50	50	50	-
Management & Support	Operational savings generated by the business support review.	Amber	Green	150	150	150	-
Management & Support	Planning and Performance Team - reduction in staffing	Green	Green	37	37	37	-
Cross Service	Pilot Sickness Absence Taskforce within the HSCP	Green	Blue	100	75	75	-
Cross Service	Staff Mileage - 10% reduction across the partnership	Green	Amber	40	40	40	-
Cross Service	Bring forward phase 2 Challenge Fund savings from 2019/20 to 2018/19	Green	Blue	250	250	250	-
Cross Service	Cap respite across all services to 35 days	Green	Amber	200	200	130	70
Change and Improvement	Change Team Restructure	Green	Blue	108	108	108	-
Change and Improvement	Integrated Care Fund - reduction in spend and discontinued projects	Green	Blue	218	218	218	-
TOTAL				3,739	3,313	2,652	661

NHS Commissioned Services

Appendix C

Service	Description	RAG Status at budget setting	Updated Rag Status	Gross Saving 2018/19 £000's	Net Saving 2018/19 £000's	Net Saving Projected to be Achieved at Period 6 £000's	Projected Shortfall
Change and Improvement	Integrated Care Fund - reduction in spend and discontinued projects	Green	Blue	242	242	242	-
Planning and Performance	Change Team Restructure	Green	Blue	108	108	108	-
Mental Health	Review of Psychology Services - Phase 2	Green	Blue	47	47	47	-
Mental Health	Prescribing - Secondary 1%	Amber	Blue	7	7	7	-
Mental Health	Add UNPACS 1%	Amber	Blue	23	23	23	-
Mental Health	Psychiatry 1%	Amber	Blue	55	55	55	-
Mental Health	Addictions 1%	Amber	Blue	13	13	13	-
Community Care & Health	Arran	Amber	Blue	20	20	20	-
Community Care & Health	Delayed Discharge Funding	Green	Blue	53	53	53	-
Community Care & Health	District Nursing Supplies	Green	Blue	7	7	7	-
Community Care & Health	Reduction in staffing - Arran	Green	Blue	30	30	30	-
Cross Service	Supplies	Green	Blue	80	80	80	-
Cross Service	Transport	Green	Blue	5	5	5	-
Cross Service	Savings carried forward from 2017/18	Red	Red	2,557	2,557	889	1,668
TOTAL				3,247	3,247	1,579	1,668
GRAND TOTAL				6,986	6,560	4,231	2,329

Financial Recovery Plan (IJB approved Sept 2018)
Appendix D

Ref	Service Area	Recovery Action Proposed	Status: Complete In Progress Delayed	Estimated Benefit £ 000's	Achieved (included in the projected outturn) £ 000's	Remaining Balance £ 000's	Responsible Officer
1	Care Homes	Phased reduction in care home numbers as more people will be supported at home. This would focus on a reduction in residential care placements by utilising the capacity in community services (eg care at home, district nursing) to support people to remain supported in their own homes.	Complete	200	200	-	Donna McKee (David Rowland)
2	Learning Disability	From September there will be a full time care manager seconded to a dedicated learning disability review team. This will assist in achieving the planned Challenge Fund savings and contribute to the financial recovery plan.	In Progress	100	-	100	Thelma Bowers
3	Learning Disability	Sleepovers - the current sleepovers are being reviewed to assess which could be provided using the existing out of hours responder service. There is not currently a savings target aligned to sleepover services.	In Progress	100	-	100	Thelma Bowers
4	Learning Disability	Review of all 2:1 supports for clients, from reviews already undertaken a reduction has been delivered, plan to review remaining supports.	In Progress	75	-	75	Thelma Bowers
5	Cross Service	Review of all transition cases (e.g. LD adults aged 65+) to ensure the appropriate care is provided (saving is estimate net of alternative care provision).	In Progress	150	-	150	Thelma Bowers
6	Cross Service	Audit of compliance with the charging policy to ensure consistency of application across services.	In Progress	50	-	50	Caroline Whyte
7	Carers	Increased demand for Respite services, contributing to overall overspend, use element of Carers Act funding for support for respite. Non recurring basis for 2018-19, reviewed as part of 2019-20 budget in line with plan for Carer's Act funding and implementation.	Complete	300	300	-	Donna McKee (David Rowland)
8	Equipment	Temporary reduction (2018-19 only) in the equipment budget due to the Challenge Fund investment being used to clear the waiting list. This will be kept under review together with any waiting lists and impact on delivery of community based services.	Complete	100	100	-	Donna McKee (David Rowland)
9	Adaptations	Temporary reduction (2018-19 only) in the adaptations budget. This will be kept under review together with any waiting lists and impact on delivery of community based services.	Complete	100	100	-	Donna McKee (David Rowland)
10	MH Inpatients	Current plans assume 4 bed sales to support service costs, actively market a 5th bed.	In Progress	40	-	40	Thelma Bowers
11	Learning Disability	Cease payment of Resource Transfer for a historic arrangement in relation to one patient moving outwith NHS A&A.	Complete	40	40	-	Thelma Bowers
TOTAL				1,255	740	515	

Other actions being taken:

Ref	Service Area	Action	Responsible Officer
1	Learning Disability	Extension of CM2000 to adult services which will enable payment to care providers based on actual service delivered. Greatest potential impact will be from 2019-20.	Thelma Bowers
2	Learning Disability	Developing alternative approaches to personal assistant provision to accompany service users to social events	Thelma Bowers
3	Learning Disability	Developing alternative approaches to transport for service users to social events.	Thelma Bowers
4	Cross Service	The partnership vacancy scrutiny group continues to review all vacant posts which leads to non-recurring savings. This has been added to by the NHS also undertaking a workforce management review group.	Stephen Brown
5	Cross Service	The absence pilot approved by the IJB in August may lead to reduced sickness rates and associated reduced absence related costs.	Julie Davis
6	Mental Health	A review and redesign of Elderly Mental Health wards is being undertaken. There will be no savings in 2018-19 but outcome may reduce the projected overspend.	Thelma Bowers
7	Commissioned services	Review all outstanding contractual uplifts	Caroline Whyte

2018/19 Budget Reconciliation

Appendix E

COUNCIL	Period	Permanent / Temporary	Budget £000's
Initial Approved Budget	2		92,353
Resource Transfer	2	P	22,317
ICF Procurement Posts - Transfer to Procurement	2	T	(89)
Additional Pension Costs	4	P	(9)
Reduction in Criminal Justice Settlement	5	P	(243)
Budget from Education - Activity Agreements at Rosemount	6	T	29
Period 6 reported budget			114,358

HEALTH	Period	Permanent / Temporary	Budget £000's
Initial Approved Budget (including estimated pay award funding)	2		138,638
Resource Transfer	2	P	(22,317)
GIRFEC – Health Visitors	3	P	47
Remove estimated pay award	4	P	(1,496)
Actual pay award	4	P	1,462
Specialist Pharmacist upgrade	4	P	11
MH Admin – transfer to East and South	5	P	(1,198)
NES junior doctor funding	5	P	(80)
HD424 - NMAHP Clinical Lead	5	P	16
Allocation of the AHP budget	6	P	4,570
Mental Health Strategy - Action 15	6	P	571
ADP CRES Reduction	6	P	462
Medical Pay Award	6	P	204
Medical Training Grade Adjustment	6	P	49
Band 3 Admin funding transferred from East	6	P	14
Breast Feeding Programme - Health Visitor	6	P	9

Mental Health Admin Split to South/East(Supplies)	6	P	(72)
Prescribing Reduction	6	P	(567)
Period 6 reported budget			120,323
GRAND TOTAL			234,681

DIRECTION

From North Ayrshire Integration Joint Board

1.	Reference Number	15112018-01	
2.	Date Direction Issued by IJB	15 th November 2018	
3.	Date Direction takes effect	16 th November 2018.	
4.	Direction to	North Ayrshire Council	
		NHS Ayrshire & Arran	X
		Both	
5.	Does this direction supercede, amend or cancel a previous direction – if yes, include the reference numbers(s)	Yes	
		No	X
6.	Functions covered by the direction	All NAHSCP delegated functions	
7.	Full text of direction	NHS Ayrshire & Arran are directed to: a) Action the budget reductions outlined in para 2.12 and Appendix E.	
8.	Budget allocated by Integration Joint Board to carry out direction	North Ayrshire Council £114.358m NHS Ayrshire & Arran £120.323m TOTAL £234.681m	
9.	Performance Monitoring Arrangements	Regular financial updates will be reported to the IJB during 2018/19, the financial recovery plan may require to be reviewed depending on progress and impact.	
10.	Date of Review of Direction (if applicable)	n/a	