

Subject:	Budget Monitoring – Month 10 (January 2020)
Purpose:	To provide an update on financial performance to January 2020, including the projected outturn for the 2019-20 financial year.
Recommendation:	It is recommended that the IJB: <ul style="list-style-type: none"> a) Note the projected year-end overspend of £1.541m; b) Approve the changes in funding as detailed in section 2.13 and Appendix E; and c) Note the North Ayrshire IJB position in the context of the national financial position for Integration Authorities across Scotland.

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
CRES	Cash Releasing Efficiency Savings
NES	NHS Education Scotland – education and training body
NRAC	NHS Resource Allocation Committee

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 January 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 £1.541m for 2019-20 which is an adverse movement of £0.107m from the previous reporting period. The main areas of pressure continue to be learning disability care packages, care at home services, looked after children, and adult in-patients within the lead partnership. There has been an adverse movement in the position which mainly relates to residential placements for children and Trindlemoss double running costs. Partly offsetting these increases is an increased underspend in mental health lead partnership services, additional recovery of charging order income and improved position for LD community packages. There are a number of variances across budgets noted in the report, there is an intention to review and realign service budgets moving into 2020-21, this will be

	informed by opening projections for services next year and the outcome of this review is included in the 20/21 budget report.
1.3	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, but this is minimal given the proximity to the financial year end. A financial recovery plan was approved by the IJB in September to work towards delivering financial balance and following this progress has been made across all service areas to reduce the projected overspend. The recovery plan includes actions to address the areas of overspend to help work towards financial balance this year whilst also delivering a recurring benefit to ensure financial sustainability in future years. Alongside the specific actions outlined in the financial recovery plan services continue to deploy tight financial management controls to support bringing expenditure back into line with budget.
1.4	<p>The financial position has deteriorated in month 10 and reinforces that financial balance cannot be delivered by the year-end. It isn't possible to recover this overspend by this point in the financial year as there would be a significant impact of short-term decisions and actions that would require to be taken to fully recover this position. Those actions would inevitably have longer term consequences, both financially and for individual people's outcomes and would not necessarily address the areas where we continue to have financial and operational pressures.</p> <p>Realistically the IJB will not be in a position as planned to make this year's instalment to the outstanding debt to North Ayrshire Council in full and the IJB should focus on ensuring the final outturn position is limited to £1.5m, to ensure that there is no increase to the overall debt position at the year-end. The projected outturn position offset by the debt repayment budget is £0.055m overspent which would result in an increased debt owed to North Ayrshire Council.</p>
1.5	<p>Across Scotland Integration Joint Boards are facing similar financial challenges, whilst there are different individual local circumstances there are similarities with the factors contributing to financial pressures. The total budget delegated for Health and Social Care services to IJBs across Scotland is £9.4bn. The most recent collated Q3 position for 2019-20 reports that 22 out of 31 IJBs are reporting an overspend position totalling £78m, the main areas contributing to this are delays in delivering planned savings and demographic service pressures or increase in demand for services.</p> <p>With the exception of prescribing costs, which in North Ayrshire are underwritten by the Health Board, these are all pressures recognised for the North Ayrshire IJB. The partnership continues to actively engage in national networks, best practice forums and review examples of good practice and transformation from other areas.</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 and actions required to work towards financial balance.
	FINANCIAL PERFORMANCE
2.2	Against the full-year budget of £243.191m there is a projected overspend of £1.541m (0.6%). 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 £2.288m (£0.308m adverse movement) in social care services offset by a projected underspend of £0.747m (£0.201m favourable movement) in health services. 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.

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.

2.3 **Community Care and Health Services**

Against the full-year budget of £68.323m there is a projected overspend of £0.431m (0.6%) which is a favourable movement of £0.115m. The main reasons for the projected overspend are:

- a) Care home placements including respite placements – projected to underspend by £0.152m (£0.001m favourable movement). The projection can vary due to factors other than the number of placements e.g. the impact of interim funded places and outstanding requests for funding, this position is monitored closely. Charging order income is projected to over-recover by £0.423m (£0.153m favourable movement) which is based on income received to date and expected income prior to the year end. This is partly due to the improved processes to track the charging orders. The care home budget has moved into a sustainable position and if this can be maintained until the year end the opening position for the budget for 2020-21 will be an underspend.
- b) Independent Living Services are projected to overspend by £0.125m (adverse movement of £0.015m) which is due to an overspend on physical disability care packages within the community and direct payments. There will be further work undertaken with the implementation of the Adult Community Support framework which will present additional opportunities for reviews and will ensure payment only for the actual hours of care delivered.
- c) Packages of care are projected to underspend by £0.027m which is an adverse movement of £0.004m. This is due to delays in new packages offsetting the use of supplementary staffing for existing packages, this has significantly improved from the 2018-19 position.
- d) Care at home is projected to overspend by £0.426m which is a favourable movement of £0.052m. The projection assumes:
 - i. An assumption on the number of hours potentially to be refunded following an internal review of the hours provided and an ongoing contractual issue with a commissioned provider
 - ii. A favourable movement due to planned reviews to the year-end with an actual reduction in hours provided. This reduction will allow for capacity to be freed up in the internal service to facilitate hospital discharge and manage waiting lists and a reduction in cost from commissioned services.

The overspend for in-house services relates to providing additional hours to cover a service that a provider handed back and the in-house service had to increase capacity to ensure the safety of vulnerable service users within the community of the North Coast locality and also the need to facilitate patient discharges from Crosshouse Hospital. The service currently has, between

hospitals and community a managed waiting list of individuals waiting on a care at home package or an increase in their existing care package. There would be additional costs to clear this waiting list.

The planned action around reviews to reduce purchased care and maximise the capacity of the in-house service will reduce the ongoing overspend in care at home, despite this based on current plans there may remain an overspend moving into 2020-21. This is addressed as part of the 2020-21 budget planning alongside consideration of demand pressure funding and savings to ensure a sustainable position moving forward. This will include addressing the recurring overspends on care at home admin (£0.163m inc £.078m for CM2000), supplies (£0.128m) and transport (£0.094m).

- e) Long Term Conditions (Ward 1), projected overspend of £0.273m (favourable movement of £0.033m) which is mainly due to an overspend in employee costs to ensure staffing levels are at a safe level. This is a recurring pressure and funding is provided in the 20/21 budget. Ward 2 is projected to be online, but this is subject to continuing to receive £0.504m of funding from East HSCP for their patients, East have indicated their intention to reduce the number of commissioned beds, this is not anticipated to be implemented during 2019-20.
- f) Community Care employee costs are projected to overspend by £0.285m (adverse movement of £0.048m) due to supernumerary / unfunded posts, overtime and the non-achievement of payroll turnover. Some of these posts have been allocated to the care at home service and others have still to be allocated to the appropriate service to manage the costs within the delegated budget. The 20/21 budget will be realigned to ensure these posts are funded on a recurring basis.
- g) Locality services employee costs are projected to overspend by £0.248m (adverse movement of £0.047m) due to a projected shortfall in payroll turnover targets.
- h) Carers Act Funding is projected to underspend by £0.268m (no movement) based on the currently committed spend. This could fluctuate depending on the number of carers' support plans undertaken and the level of demand/services identified from these plans. An allocation has previously been allocated to offset an overspend on care home respite placements.
- i) Intermediate Care (excluding Models of Care) is projected underspend by £0.096m (favourable movement of £0.004m) due to vacancies.
- j) Intermediate Care and Rehab Models of Care is projected to overspend by £0.243m (£0.004m favourable movement) which represents the full year funding impact of the model. The projected overspend is based on the posts which are currently filled, with an assumption that any vacancies would be held until a longer-term decision on funding investment is taken. The permanent funding of this service is addressed as part of the 20/21 budget setting paper.
- k) Aids and adaptations – are projected to underspend by £0.323m (£0.050m adverse movement) of which £0.200m is per the approved recovery plan with the balance due to a reduction in the number of occupational therapy assessments due to recruitment / staffing levels.

	<p>l) Community Care income is projected to under recover by £0.305m (no movement). The is mainly due to :</p> <ul style="list-style-type: none"> • Community Alarm income is projected to under recover by £0.191m (no movement), this represents a reduction in income. The income budget was increased in 2019-20 to reflect the new charge and removal of means testing, the budget will be reviewed alongside other income budgets and realigned as part of the 20/21 budget coding. • Care at Home and Day Care income is projected to under recover by £0.114m (no movement). This is under review to establish if it will be a recurring under recovery. <p>m) District Nursing – is projected to underspend by £0.103m (£0.007m favourable movement) due to vacancies.</p> <p>n) Integrated Island Services are projected to underspend by £0.085m due to vacancies.</p>
2.4	<p>Mental Health Services</p>
	<p>Against the full-year budget of £76.380m there is a projected overspend of £0.831m (1.1%) which is an adverse movement of £0.079m. The main reasons for the projected overspend are:</p> <ul style="list-style-type: none"> • Learning Disabilities (exc Trindlemoss) – projected overspend of £1.422m (favourable movement of £0.007m), of which £0.980m is in relation to community care packages, £0.281m for direct payments and £0.087m for residential placements. These overspends are partially offset by vacant posts. The projection assumes that savings of £0.050m will be made before the year end. Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends, as the care packages are aligned to meet an individual’s assessed needs. The recovery plan includes the prioritised review of all packages. Progress with the reviews has been slower than planned due to the implementation of the Adult Community Support Contract and also a number of packages that have been reviewed, particularly the higher cost packages, have concluded that no change is possible at this time. This work is ongoing and will continue to be a fluid position until the year-end. The 20/21 budget for all adult care packages (LD, PD and MH) will be realigned with any projected underspends being used to reduce the LD projected overspend. • Trindlemoss – is projected to overspend by £0.162m (adverse movement of £0.162m) which is due to the double running costs (Trindlemoss staffing costs and purchased care packages). These costs will continue until all of the service users move into Trindlemoss. • Community Mental Health – is projected to underspend by £0.299m (favourable movement of £0.036m) mainly due to vacancy savings and an underspend in care packages. • Addictions – is projected to be underspent by £0.100m (adverse movement of £0.001m) due to vacant posts. • Lead Partnership for Mental Health – overall projected underspend of £0.354m (favourable movement of £0.041m) which consists of:

Overspends:

- Adult inpatients £0.500m (favourable movement of £0.100m) - mainly due to the delay in closing the Lochranza ward on the Ailsa site. The ability to close Lochranza is dependent on discharging at least two patients from South Ayrshire. South HSCP have been advised that the Lochranza ward will close, the projection also assumes subsequent redeployment costs. The favourable movement is due to a continues reduction is the use if supplementary staffing.
- UNPACS £0.333m (£0.117m adverse movement) – based on current placements. There are increased costs for the General Psychiatry service level agreement due to increased activity.
- Elderly inpatients £0.400m (£0.130m adverse movement) - due to holding vacancies in relation to reconfiguring the wards. This resulted in using supplementary staff in the interim.

Underspends:

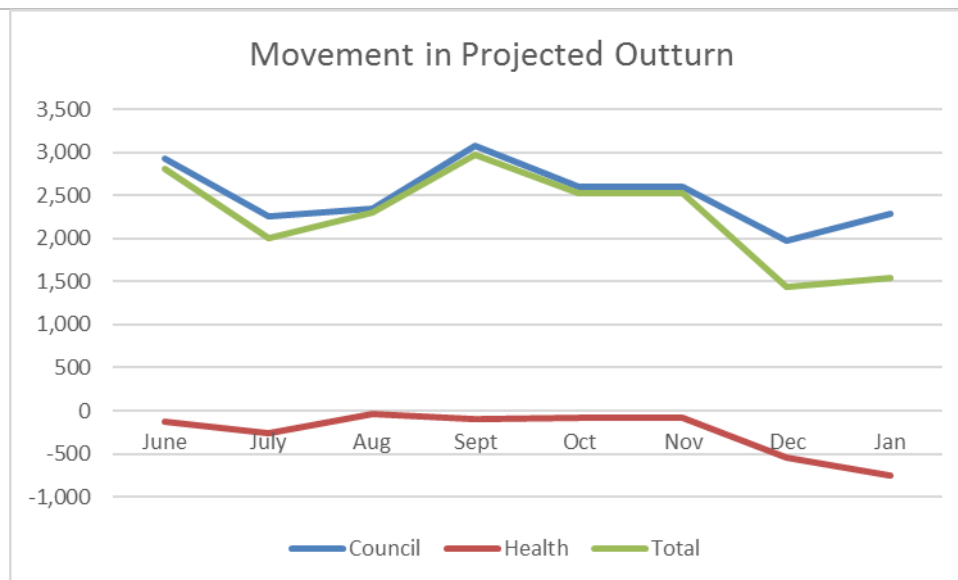
- CAMHS £0.232m (£0.018m favourable movement) – due to vacancies and delays with recruitment. This is after applying £0.150m of payroll turnover.
- Psychology £0.395m (no movement) – due to vacancies. This is after applying £0.150m of payroll turnover.
- Adult Community Mental Health £0.120m (£0.005m favourable movement) - due to vacancies.
- Psychiatry £0.300m (favourable movement of £0.090m) – underspend primarily due to vacancies and reduced locum costs. This is after settlement of the Medical Pay Award (£0.160m) which was not funded.
- MH Pharmacy £0.126m (no movement) – underspend due to continued lower substitute prescribing costs.
- MH Admin £0.160m (£0.050m favourable movement) - due to vacancies.

2.5 Children & Justice Services

Against the full-year budget of £35.780m there is a projected overspend of £1.149m (3.2%) which is an adverse movement of £0.162m. The main reasons for the projected overspend are:

- a) Residential Schools and Community Placements – projected overspend of £1.340m (£0.195m adverse movement). The movement is due to one placement not being funded by the Scottish Govt as assumed (£0.099m), a change in discharge dates (£0.038m), one secure placement (£0.028m – now ended) and one placement returning following a previous discharge. The projection is based on the current number of placements and estimated discharge dates for each placement. There are currently 18 external residential placements and no

	<p>secure placements, with one external placement ending on 29/02/20 and 1 Secure Placement ended 28/02/20. The reported projection assumes that the remaining 18 places remain until March 2020. These assumptions are based on individual plans for children. There is no provision for any increase in placements and this area of service remains high risk financially as any small movement in the current plans for children or new services required would have a significant impact given the high cost of services. The service is working with housing colleagues to develop alternatives for older children in care to free up local care capacity to support the reduction in external residential placements. This work ties in with future plans to further reduce the requirement for residential placements and if the planned timescales are met by March 2020 then the budget will be back into a sustainable position and on track to deliver further savings moving into 2020-21.</p> <p>b) Looked After Children Placements – projected overspend of £0.093m (favourable movement of £0.043m) due to the current demand for fostering, adoption and kinship placements. External placements were made in previous months as there were no internal foster carers available. A recruitment campaign is ongoing to attract more in-house foster carers to ensure there is no ongoing requirement for external foster placements.</p> <p>c) Children with Disabilities – employee costs projected overspend £0.082m (adverse movement of £0.014m) as the turnover target will not be met.</p> <p>d) Children with Disabilities Residential Placements – projected underspend of £0.197m (adverse movement of £0.011m).</p>
2.6	Allied Health Professionals
	AHP services are projected to underspend by £0.136m due to vacancies (favourable movement of £0.005m).
2.7	Management and Support Costs
	Against the full-year budget of £8.434m there is a projected underspend of £0.790m (9.4%) which is an adverse movement of £0.075m. The underspend relates to the delay in commitment for pressure funding set aside in the 2019-20 budget. The requirement for this funding will be closely monitored and delegated to services as and when required. The adverse movement relates to an additional pension recharge for a former employee.
2.8	Primary Care and Prescribing
	Prescribing is the responsibility for the Health Board to fund and under the terms of the Integration Scheme the Health Board continues to underwrite the prescribing position across the three Ayrshire IJBs. At month 10 prescribing is projected to be £1.277m overspent (£0.106m favourable movement). This is not included in the projected outturn due to the NHS underwriting the risk of overspend.
2.9	Movement in Projected Outturn Position
	The table below shows the overall movement in the projected outturn position throughout the financial year:



The partnership financial position has been challenging since the start of the year, with a significant projected overspend projected in the first reporting period. This is reflective of the challenges in delivering savings against a backdrop of continuing to prioritise and meet existing and new demand for services. The position has steadily improved since the IJB approved the financial recovery plan in September with a minor adverse movement in month 10 relating to known risk areas (Trindlemoss and children's placements).

The IJB approved a balanced budget for 2019-20 in March 2019. The budget was underpinned by a requirement to deliver savings of £6.1m and to manage a number of in-year unfunded pressures. Whilst the budget and savings plans are completely aligned to the IJB's Strategic Plan and ambitions within that to change how we deliver health and social care services, we have never underestimated the challenge in delivering service change across all services at pace whilst continuing to meet new demand for services. So many of the delegated services, particularly for social care, are demand led and for some services these are very specialist and high cost. This leads to a greater risk of being able to plan for and respond to in-year demands for services.

The financial position has deteriorated in month 10 and reinforces that financial balance cannot be delivered by the year-end. It isn't possible to recover this overspend by this point in the financial year as there would be a significant impact of short-term decisions and actions that would require to be taken to fully recover this position. Those actions would inevitably have longer term consequences, both financially and for individual people's outcomes and would not necessarily address the areas where we continue to have financial and operational pressures.

Realistically the IJB will not be in a position as planned to make this year's instalment to the outstanding debt to North Ayrshire Council in full and the IJB should focus on ensuring the final outturn position is limited to £1.5m, to ensure that there is no increase to the overall debt position at the year-end. The projected outturn position offset by the debt repayment budget is £0.055m overspent which would result in an increased debt owed to North Ayrshire Council.

2.10

Savings Progress

- a) The approved 2019-20 budget included £6.134m of savings.

RAG Status	Position at Budget Approval £m	Position at Period 10 £m
Red	-	0.311
Amber / Red	-	1.254
Amber	2.980	0.555
Green	3.154	4.014
TOTAL	6.134	6.134

b) The projected year-end outturn position assumes:

- i) £0.311m of the Red savings in relation to reducing LD sleepovers (£0.190m), the roll out of MDTs (£0.055m), the LEAN efficiency programme and Buckreddan ICF Project will not be delivered as planned and this is reflected in the overall projected outturn position; and
- ii) The £0.328m risk of savings relating to Trindlemoss is partially reflected (£0.178m) in the projected overspend position as there is ongoing work to establish the deliverability of the saving given that the savings were based on the service being operational from September.

If progress is made to deliver the savings this would improve the overall outturn position or prevent the overspend increasing further.

Some savings have been reclassified as Amber / Red as the budget has been removed from the service area, but these areas are overspending.

The projected financial position assumes that all remaining savings on the plan will be delivered. Progress with savings delivery requires to be closely monitored to ensure the impact on the financial position can be assessed and corrective action taken where necessary. It is essential that if a saving cannot be achieved by the year end that there are plans in place to achieve it moving into 2020-21.

Appendix C provides an overview of the savings plan, this highlights that at this stage a total of £4.392m of savings have been delivered successfully.

The 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 solution focussed approach to bringing programmes back on track.

2.11 **Financial Recovery Plan**

The Integration Scheme requires the implementation of a recovery plan if an overspend position is being projected, to take action to bring overall service delivery back into line with the available resource. The previously approved financial recovery plan is included in Appendix D. The plan has in the main been delivered with further potential for improvement from the ongoing reviews of Care at Home and Community Learning Disability Services, for both of which ongoing improvements are factored into the projections.

The plan includes specific targeted actions with a focus on addressing the pressure areas, the actions will not only improve the projected overspend this year but will also address recurring overspends in service areas moving into future years. The plan is underpinned by more detailed plans with clear actions for high risk service areas. One of the most significant risk areas is Learning Disabilities, a more detailed plan with all

actions including tracking progress with reviews is co-ordinated between the service and finance and transformation team. Weekly cross-service progress meetings are being held to track progress and to ensure progress at pace.

The further actions noted below were subsequently noted to be undertaken:

- 1) **Care at Home** – review feedback from the Thinking Differently Doing Better sessions to identify the main ‘themes’ that can be taken forward to maximise capacity, including visits, assessment and review process, electronic communication with staff. Since September almost all of the communication with staff has moved to an electronic format and the reviews have commenced resulting in a significant reduction in the projected spend.
- 2) **Learning Disability** – continue the focussed work with weekly progress updates. Hold a development session with the learning disability team to ensure that progress made to date is embedded moving forward. Progress the responder service on a geographical cluster basis with Trindlemoss being the piloted area. The development session took place on the 8th of January and a follow up session is being arranged which will focus on assessments and the eligibility criteria. Reviews and the sleepover development are progressing but will not have a material impact until 20/21.
- 3) **In house fostering** – grow the number of in-house foster carers through a recruitment campaign (advertising, radio and social media campaign). Review the terms and conditions for foster carers. An internal communications campaign has been developed as well as wider recruitment campaign which was in place throughout February. The results of this will be known in due course. It will still take time to train any new foster carers so the impact will not be until part way through 20/21.
- 4) **Children’s Residential Placements** – work with housing colleagues to develop alternatives for older children in care to ensure local capacity can be used to reduce the numbers of external placements.

The plan includes actions to address the areas of overspend to help work towards financial balance this year whilst also delivering a recurring benefit to ensure financial sustainability in future years. Alongside the specific actions outlined in the financial recovery plan services will continue to deploy tight financial management controls to support reducing expenditure in 2019/20 with a view to bringing 20/21 back into line with budget.

2.12

Financial Risks

The 2019-20 budget setting paper noted unfunded pressures which could present a risk to the projected outturn position. A number of these risks have now materialised, and the financial implications included in the partnership position.

The remaining risks for 2019-20 include:

- a) Trindlemoss – delay in service users moving into the development. Trindlemoss is now open but there has been a delay in some service users moving in due the legal measures required to be in place (guardianships). Until they are approved by the court, we may incur double running costs, i.e. staff in Trindlemoss and care packages in the community as well as void rent loss

	<p>payments. This risk is reported in month 10. Any further delay to the placements will impact adversely on the 20/21 budget position.</p> <p>b) There is a potential pressure in relation to GP practices in difficulty. This is a dynamic pressure which we will look to manage in-year. If this cannot be achieved, then the default position would be to fund the North fair share of this from any underspend in the Primary Care Improvement Fund (PCIF). At month 10 there are no GP practices in difficulty.</p> <p>In addition to these pressures there is a potential reduction to the funding available for Ward 2 in Woodland View as East HSCP are reviewing the number of beds they want to commission from the ward. It is unlikely that this will be implemented during 2019-20 due to the limited notice given re the intent to reduce.</p>
2.13	<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 E highlights the movement in the overall budget position for the partnership following the initial approved budget.</p> <p>Reduction Requiring Approval:</p> <p>a) Distinction Award Funding for retired consultant £0.018m – funding returned to the Scottish Government.</p> <p>This reduction of budget has been negotiated and agreed with the partnership.</p> <p>Future Planned Changes:</p> <p>Further areas which are outstanding and will be included in future reports include:</p> <p>1) The transfer of the Douglas Grant and Redburn rehab wards from acute services to the North HSCP. The operational management of these wards has already transferred to the partnership, but the due diligence undertaken on the budget has highlighted a funding shortfall. It has been agreed with NHS Ayrshire & Arran that the financial responsibility will not transfer until balance is found. In the meantime, we are managing services and working to reduce the projected overspend prior to any transfer.</p>
2.14	<p>Lead Partnerships</p>
	<p>North Ayrshire HSCP Services managed under Lead Partnership arrangements by North Ayrshire Health and Social Care Partnership are projected to be £0.350m underspent. Full detail on the underspend is given in section 2.4 above. This position is shared across the 3 partnerships on an NRAC allocation basis and is reflected in Appendix A.</p>
	<p>South Ayrshire HSCP Services led by the South Partnership are forecast to be £0.288m overspent (no movement). The Community Equipment Store was funded with an additional £0.280m as part of the budget for this year, however it continues to be a source of</p>

	<p>pressure and represents the majority of the overspend. It should be noted that expenditure is volatile depending on the timing of purchases. This issue is being discussed by SPOG.</p>
	<p>East Ayrshire HSCP East Ayrshire don't report at month 10 so there is no update to the month 9 position reported below.</p> <p>Services managed under Lead Partnership arrangements by East Ayrshire are projected to underspend by £0.340m in total. This is a favourable movement of £0.386m. The projected underspend includes the following:</p> <ul style="list-style-type: none"> • Primary Care is projected to underspend by £0.329m and is after taking account of additional costs within Primary Medical Services related to GP Practices in Difficulty which have handed back contracts. Additional costs of £0.450m have been incurred for the year-to-date. This has been offset by underspends in AUC and Dental Services. • Ayrshire Urgent Care Services (AUCS) are underspent by £0.390m as a result of vacancies across the support teams, including drivers and call handlers, as well as Advance Nurse Practitioner vacancies and medical sessions not being filled. • Dental services continue to deliver services within their financial envelope and are currently projected to underspend by £0.250m, mainly due to clinical and administration vacancies.
	<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> <p>At month 9 the impact of the Lead Partnerships has been calculated based on the average NRAC share which is the method that was used in previous years and has been agreed by the Ayrshire Finance Leads. The NRAC shares are: North 36.6%, South 30.5% and East 32.9%</p>
<p>2.15</p>	<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. The 2019-20 set aside budget for North HSCP is £30.094m, based on expenditure in 2018-19. The acute directorate, which includes the areas covered by the set aside budget, is overspent by £10.2m after 10 months.</p> <p>58 additional and unfunded beds were open at the 31st March 2019. Crosshouse and Ayr hospitals have experienced a high level of demand and delayed discharges, resulting in increased operational pressures and additional expenditure. At 31st January there were 74 unfunded beds across Crosshouse and Ayr hospital.</p> <p>During 2018-19 the North Partnerships use of the set aside resources was £30.094m against the NRAC 'fair share' of £28.697m which is £1.127m above the 'fair share'. There is an expectation that the North Partnership will move towards its 'fair share'. The Models of Care programmes including the Intermediate Care and Rehab</p>

	investment and the Palliative End of Life proposals being developed represent agreed or potential investment in community services with a view to reducing acute beds. This is in effect a mechanism to reduce the set aside resources. Currently however the funding for the ICR model is not able to be released from the acute set-aside budget due to service pressures and the overall overspend in acute services.
2.16	National Position
	<p>Across Scotland Integration Joint Boards are facing similar financial challenges, whilst there are different individual local circumstances there are similarities with the factors contributing to financial pressures. The total budget delegated for Health and Social Care services to IJBs across Scotland is £9.4bn. The most recent collated Q2 position for 2019-20 reports that 22 out of 31 IJBs are reporting an overspend position totalling £78m, the main areas contributing to this are delays in delivering planned savings and demographic service pressures or increase in demand for services.</p> <p>Key highlights include:</p> <ul style="list-style-type: none"> • The challenge to deliver savings, in particular planned reductions in services not materialising due to increased demand being experienced • Increased activity of acute services • Additional demand for services and the increasing complexity of health and social care needs across older people, adult and children's services • The timeline to implement new models of service delivery taking longer than originally anticipated • Ongoing challenges associated with identifying further cost reduction and savings opportunities • Prescribing cost pressures; and • Staffing costs including the cost of locums. <p>With the exception of prescribing costs which in North Ayrshire are underwritten by the Health Board, these are all pressures recognised for the North Ayrshire IJB. The partnership continues to actively engage in national networks, best practice forums and review examples of good practice and transformation from other areas.</p>
3.	PROPOSALS
3.1	<u>Anticipated Outcomes</u>
	<p>Continuing to implement and monitor the financial recovery plan will allow the IJB to work towards reducing the overspend for 2019-20 whilst ensuring these plans align with securing financial sustainability in future years, 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 are provided at every IJB meeting.
4.	IMPLICATIONS

Financial:	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £243.191m there is a projected overspend of £1.541m (0.6%). The report outlines the action being taken and proposed action to reduce the projected overspend.</p> <p>There are a number of assumptions underpinning the projections which could change as we progress through the year. We will continue to work with services to ensure the most accurate and reliable position is reported.</p> <p>The financial recovery plan details planned actions to reduce the projected overspend, delivery of the plan is being closely monitored.</p> <p>The main areas of financial risk which may impact on this position are highlighted in the report.</p> <p>At this stage in the financial year it is unlikely the IJB will be in a position to make the full planned debt repayment for 2019-20.</p>
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People	None
Environmental & Sustainability:	None
Key Priorities:	None
Risk Implications:	Within the projected outturn there are various over and underspends including the non-achievement of savings which need to be addressed on a recurring basis to ensure financial sustainability in future years. The Financial Recovery Plan is focussed on those areas which will help the current year financial position but also support ongoing future financial sustainability of the partnership. Several budgets will be realigned moving into 20/21.
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	This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.

	The IJB financial monitoring report is shared with the NHS Ayrshire and Arran and North Ayrshire Council Directors of Finance after the report has been finalised for the IJB.
5.	CONCLUSION
	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none">a) Note the projected year-end overspend of £1.541m and the positive progress made by the partnership to contain the projected overspend;b) Approve the changes in funding as detailed in section 2.13 and Appendix E; andc) Note the North Ayrshire IJB position in the context of the national financial position for Integration Authorities across Scotland.

For more information please contact:

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Partnership Budget - Objective Summary	2019/20 Budget									Over/ (Under) Spend Variance at Period 9 £'000	Movement in projected budget variance from Period £'000
	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	55,059	55,379	320	13,264	13,375	111	68,323	68,754	431	546	(115)
: Locality Services	25,470	25,121	(349)	4,713	4,598	(115)	30,183	29,719	(464)	(367)	(97)
: Community Care Service Delivery	26,043	27,352	1,309	0	0	0	26,043	27,352	1,309	1,315	(6)
: Rehabilitation and Reablement	1,742	1,383	(359)	1,946	2,021	75	3,688	3,404	(284)	(335)	51
: Long Term Conditions	1,443	1,214	(229)	4,595	4,779	184	6,038	5,993	(45)	(1)	(44)
: Integrated Island Services	361	309	(52)	2,010	1,977	(33)	2,371	2,286	(85)	(66)	(19)
MENTAL HEALTH SERVICES	24,432	25,975	1,543	51,950	51,238	(712)	76,382	77,213	831	752	79
: Learning Disabilities	18,600	20,313	1,713	511	382	(129)	19,111	20,695	1,584	1,429	155
: Community Mental Health	4,462	4,282	(180)	1,611	1,492	(119)	6,073	5,774	(299)	(263)	(36)
: Addictions	1,370	1,380	10	1,345	1,235	(110)	2,715	2,615	(100)	(101)	1
: Lead Partnership Mental Health NHS Area Wide	0	0	0	48,483	48,129	(354)	48,483	48,129	(354)	(313)	(41)
CHILDREN & JUSTICE SERVICES	32,170	33,308	1,138	3,610	3,621	11	35,780	36,929	1,149	987	162
: Intervention Services	3,864	3,823	(41)	325	290	(35)	4,189	4,113	(76)	(21)	(55)
: Looked After & Accommodated Children	16,287	17,520	1,233	0	0	0	16,287	17,520	1,233	1,059	174
: Fieldwork	4,774	4,832	58	0	0	0	4,774	4,832	58	84	(26)
: CCSF	266	250	(16)	0	0	0	266	250	(16)	(19)	3
: Criminal Justice	2,692	2,692	0	0	0	0	2,692	2,692	0	0	0
: Early Years	338	292	(46)	2,868	2,910	42	3,206	3,202	(4)	(13)	9
: Policy & Practice	3,949	3,899	(50)	0	0	0	3,949	3,899	(50)	(103)	53
: Lead Partnership NHS Children's Services Area Wide	0	0	0	417	421	4	417	421	4	0	4
PRIMARY CARE	0	0	0	47,143	47,143	0	47,143	47,143	0	0	0
ALLIED HEALTH PROFESSIONALS				5,164	5,028	(136)	5,164	5,028	(136)	(131)	(5)
MANAGEMENT AND SUPPORT COSTS	6,751	6,129	(622)	1,683	1,515	(168)	8,434	7,644	(790)	(865)	75
CHANGE PROGRAMME	1,003	912	(91)	964	908	(56)	1,967	1,820	(147)	(34)	(113)
TOTAL	119,415	121,703	2,288	123,778	122,828	(950)	243,193	244,531	1,338	1,255	83
Return Hosted Over/Underspends East	0	0	0		0	115			115	103	12
Return Hosted Over/Underspends North	0	0	0		0	0			0	0	0
Return Hosted Over/Underspends South	0	0	0		0	107			107	95	12
Receive Hosted Over/Underspends South	0	0	0		0	105			105	105	0
Receive Hosted Over/Underspends East	0	0	0		0	(124)			(124)	(124)	0
REVISED PROJECTED OUTTURN	119,415	121,703	2,288	123,778	122,828	(747)	243,193	244,531	1,541	1,434	107

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	68,323	68,754	431	
Locality Services	30,183	29,719	(464)	<p>Older People care homes inc respite - projected underspend of £0.152m based on 773 placements. Income from Charging Orders - projected over recovery of £0.423m'</p> <p>Independent Living Services : * Direct Payment packages- projected overspend of £0.073m on 65 packages. * Residential Packages - projected underspend of £0.076m based on 30 packages. * Community Packages (physical disability) - projected overspend of £0.128m based on 48 packages</p> <p>NHS Packages of Care - projected underspend of £0.027m due to use of supplementary staffing offset by slippage in other packages. District Nursing - projected underspend of £0.103m due to vacancies.</p>
Community Care Service Delivery	26,043	27,352	1,309	<p>Care at home - in house service - projected overspend of £0.298m based on the current level of contracted costs remaining until the year end. Care at home staff have been incurring additional hours as there are moratoria on four of the purchased care providers. - Purchased Care at home - projected overspend of £0.193m. This is after reducing the budget by £0.500m to reflect the agreed 19-20 saving and assumes that the number of hours provided will reduce per week until the end of 19-20. It also assumes a refund from a provider in relation to an ongoing query on their costs.</p> <p>Direct Payments - projected underspend of £0.155m based on 27 packages continuing until the year end. New packages have been approved but have yet to commence.</p> <p>Transport costs - projected overspend of £0.115m due to increase in staff mileage within care at home. Admin costs - projected overspend of £0.085m mainly due to mobile phone equipment. Supplies and Services - projected overspend of £0.235m in relation to uniforms, other supplies and CM2000 costs. Voluntary Organisations - projected overspend £0.088m mainly in relation to the Alzheimer service.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Rehabilitation and Reablement	3,688	3,404	(284)	<p>Employee costs - projected underspend £0.152m due to vacancies.</p> <p>Intermediate Care and Rehab Models of Care - projected to overspend by £0.243m which is the full year funding impact.</p> <p>Aids and Adaptations - projected underspend of £0.323m of which £0.200m is per the approved recovery plan and the balance is related to the reduced number of OT assessments taking place.</p>
Long Term Conditions	6,038	5,993	(45)	<p>Ward 1 - projected overspend of £0.273m due to the use of supplementary staffing.</p> <p>Ward 2 - projected underspend of £0.006m assuming £0.504m of funding transfers from East HSCP in relation to Kirklandside patients.</p> <p>Elderly CMHT - underspend of £0.091m due to vacancies.</p> <p>Carers Act Funding - projected underspend of £0.268m based on the committed spend. This could fluctuate depending on the volume of carers' assessments undertaken and the level of demand/services identified from these assessments. This underspend will be used in the first instance to cover the projected overspend on care home respite placements.</p>
Integrated Island Services	2,371	2,286	(85)	
MENTAL HEALTH SERVICES	76,382	77,213	831	
Learning Disabilities	19,111	20,695	1,584	<p>Residential Packages- projected overspend of £0.087m based on 37 current packages.</p> <p>Community Packages (inc direct payments) - projected overspend of £1.397m based on 300 current packages less 3.75% invoice variances. The projection assumes a further £0.050m of review savings will be achieved before the year end and that any new packages or increases to current packages will be cost neutral. The direct payments projection is based on 41 current packages less £0.103m recovery of unspent balances.</p> <p>Employee costs - projected underspend £0.079m mainly due to vacant posts</p> <p>Trindlemoss - projected overspend of £0.162m due to double running costs until all of the service users move to the new facility.</p>
Community Mental Health	6,073	5,774	(299)	<p>Employee costs - projected underspend £0.149m mainly due to vacant posts</p> <p>Community and Residential Packages - projected underspend of £0.249m based on 104 community packages and 28 residential placements.</p>
Addictions	2,715	2,615	(100)	<p>Employee costs - projected underspend £0.100m due to vacant posts</p> <p>ADP - projected online position as any underspend will be carried forward into 2020/21.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Lead Partnership (MHS)	48,483	48,129	(354)	<p>Adult Community - projected underspend of £0.120m due to vacancies.</p> <p>Adult Inpatients- projected overspend of £0.500m due to a delay in closing the Lochranza wards.</p> <p>UNPACs - projected overspend of £0.333m which includes increased costs for the General Psychiatry service level agreement.</p> <p>LDS - assumed online pending completion of the relocation of services to Woodland View.</p> <p>Elderly Inpatients - projected overspend of £0.400m due to use of supplementary staffing after ward closures. This could fluctuate pending the finalisation of the elderly mental health bed redesign.</p> <p>CAMHS - projected underspend of £0.232m due to vacancies.</p> <p>MH Admin - projected underspend of £0.160m due to vacancies..</p> <p>Psychiatry - projected underspend of £0.300m due to vacancies and after accounting for the medical pay award and agency costs.</p> <p>MH Pharmacy - projected underspend of £0.126m mainly within substitute prescribing.</p> <p>Psychology- projected underspend of £0.395m due to vacancies.</p> <p>Action 15 - assumed online position</p>
CHIDREN'S AND JUSTICE SERVICES	35,780	36,929	1,149	
Intervention Services	4,189	4,113	(76)	<p>Care Leavers - projected underspend of £0.044m based on 7 leavers</p> <p>Employee costs - projected to underspend by £0.033m due to vacancies.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Looked After & Accom Children	16,287	17,520	1,233	<p>Looked After Children placements - projected overspend of £0.093m based on the following:-</p> <p>Kinship - projected overspend of £0.076m. Budget for 339 placements, currently 342 placement but projecting 348 placements by the year end.</p> <p>Adoption - projected overspend of £0.020m. Budget for 74 placements, currently 74 placements.</p> <p>Fostering - projected overspend of £0.164m. Budget for 120 placements, currently 130 placements and projecting 130 placements by the year end.</p> <p>Fostering Xtra - projected underspend of £0.095m. Budget for 32 placements, currently 26 placements but projecting 25 placements by the year end.</p> <p>Private fostering - projected overspend of £0.041m. Budget for 11 placements, currently 12 placements.</p> <p>IMPACCT carers - projected underspend of £0.016m. Budget for 4 placements, currently 2 placements.</p> <p>Residential School placements including community packages - projected overspend of £1.340m. There are currently 18 external residential placements and no secure placements, with one external placement ending on 29/02/20 and 1 Secure Placement ended 28/02/20. The reported projection assumes that the remaining 18 places remain until March 2020. These assumptions are based on individual plans for children. The projection is based on the current number of placements and estimated discharge dates for each placement based on the support from the mainstreamed Challenge Fund project.</p>
Fieldwork	4,774	4,832	58	Third Party Payments - projected overspend of £0.076m mainly in relation to respite payments.
CCSF	266	250	(16)	Outwith the threshold for reporting
Criminal Justice	2,692	2,692	0	Outwith the threshold for reporting
Early Years	3,206	3,202	(4)	Outwith the threshold for reporting
Policy & Practice	3,949	3,899	(50)	Employee costs - projected overspend £0.082m due to the payroll turnover target not being met.
Lead Partnership (CS)	417	421	4	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
PRIMARY CARE	47,143	47,143	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,164	5,028	(136)	Employee costs - projected underspend £0.136m due to vacancies.
MANAGEMENT AND SUPPORT	8,434	7,644	(790)	Projected underspend - this underspend relates to pressure funding awarded as part of the 2019-20. This funding will be closely monitored and delegated to services as and when required.
CHANGE PROGRAMME & CHALLENGE FUND	1,967	1,820	(147)	Slippage and employee costs underspend.
TOTAL	243,193	244,531	1,338	

Threshold for reporting is + or - £50,000

2019-20 Savings Tracker

Appendix C

Savings reference number	Description	Responsible Senior Management Lead	Deliverability Status at budget setting	Approved Saving 2019/20 £	Deliverability Status Month 10	Net Saving Achieved at Period 10 £
	Health and Community Care					
SP-HSCP-19-02	Roll out of multidisciplinary teams - Community Care and Health	Helen McArthur	Amber	55,000	Red	0
SP-HSCP-19-04	Day Centres - Older People	Helen McArthur	Green	38,232	Green	38,232
SP-HSCP-19-05	Deliver the Strategic Plan objectives for Older People's Residential Services	Helen McArthur	Green	130,350	Green	130,350
SP-HSCP-19-09	Care at Home - Reablement Investment	Helen McArthur	Amber	500,000	Amber / Red	74,000
SP-HSCP-19-12	Assessment and Self Directed Support	Isabel Marr	Green	150,000	Amber / Red	0
NHS - HSCP-9	Packages of Care	Isabel Marr	Amber	150,000	Green	150,000
	Mental Health and Learning Disabilities					
SP-HSCP-19-01	Integration of the Learning Disability team	Jan Thomson	Amber	56,000	Green	56,000
SP-HSCP-19-07	Mental Health - Tarryholme / Trindlemoss (Council element)	Jan Thomson	Amber	328,000	Amber	150,000
NHS - HSCP-1	Trindlemoss (full year impact is £0.370m)* NHS element	Jan Thomson	Amber	250,000	Amber	250,000
SP-HSCP-19-10	LD - Reduction to Sleepover Provision	Jan Thomson	Amber	215,000	Red	25,000
SP-HSCP-19-11	Reprovide Fergushill/Hazeldene at Trindlemoss & redesign commissioned services	Jan Thomson	Green	111,000	Green	111,000
SP-HSCP-19-06	Adult Community Support - Commissioning of Services	Jan Thomson /Julie Barrett	Green	388,000	Amber / Red	1,500
NHS - HSCP-4	UnPACs - 7% reduction*	R Ralston	Green	200,000	Amber / Red	0
NHS - HSCP-5	Substitute Prescribing - 5% reduction*	R Ralston	Green	135,000	Green	135,000
NHS - HSCP-3	Review of Elderly Mental Health Inpatients*	William Lauder	Green	727,000	Green	727,000
NHS - HSCP-6	See a 5th bed at Woodland View - MH inpatients*	William Lauder	Amber	90,000	Amber / Red	0

Savings reference number	Description	Responsible Senior Management Lead	Deliverability Status at budget setting	Approved Saving 2019/20 £	Deliverability Status Month 10	Net Saving Achieved at Period 10 £
	Children, Families and Justice Services					
SP-HSCP-19-03	Fostering - reduce external placements.	Mae Henderson	Green	127,408	Amber	127,408
SP-HSCP-19-08	Children's residential placements (CF)	Mae Henderson	Amber	355,000	Green	355,000
	Partnership Wide					
SP-HSCP-19-13	Charging Policy	Eleanor Currie	Green	200,000	Green	200,000
NHS - HSCP-10	Reduce business admin services	Julie Davis	Green	50,000	Green	50,000
NHS - HSCP-11	ICF Project - Partnership Enablers	Michelle Sutherland	Amber	27,000	Green	27,000
NHS - HSCP-12	ICF Project - Buckreddan care home	Michelle Sutherland	Amber	16,000	Red	0
NHS - HSCP-13	Uncommitted ICF Funding	Michelle Sutherland	Green	80,000	Green	80,000
SP-HSCP-19-20	Living Wage	n/a	Green	187,000	Green	187,000
NHS - HSCP-7	Resource Transfer to South Lanarkshire	n/a	Green	40,000	Green	40,000
SP-HSCP-19-14	19/20 impact of 18/19 part year savings	Stephen Brown	Green	113,000	Green	113,000
SP-HSCP-19-15	Respite	n/a	Green	200,000	Green	200,000
SP-HSCP-19-16	Payroll Turnover Target	Stephen Brown	Amber	500,000	Green	500,000
SP-HSCP-19-17	Lean Efficiency Programme	Stephen Brown	Green	50,000	Red	0
NHS - HSCP-2	Payroll Turnover Target - Mental Health *	Thelma Bowers	Amber	300,000	Green	300,000
NHS - HSCP-8	Payroll Turnover Target - Other Services	Thelma Bowers	Amber	365,000	Green	365,000
				6,133,990		4,392,490

Ref	Service Area	Action	Service Impact	IJB Support	Included in P10 Position £000's	Planned Impact £ 000's	Responsible Officer
Health and Community Care:							
1	Care at Home	<p>Reduction in Care at Home Provision:</p> <ul style="list-style-type: none"> - reduce weekly hours of purchased provision by between 50 and 100 hours per week, by closing cases for clients admitted to hospital. - review care packages with any reduction in hours closed to offset the overspend. - continue to review the actions of Independent Providers in the use of CM2000 for maximum efficiency - further roll out and embedding of reablement approach in CAH service to allow packages to be reduced 	May lead to delays in care at home packages being delivered and may impact on hospital discharges and increase delayed discharges. May have impact on waiting list. Risk of this will be mitigated by ensuring resources are used efficiently, with a risk based approach to allocating resources.		277	200	Helen McArthur
2	Care Homes - Respite Placements	<p>Health and Community Care Service to enforce a policy and criteria in relation to emergency respite in commissioned care home settings:</p> <ul style="list-style-type: none"> - significant increase in emergency respite where in many cases residents are placed in long term care, action taken to fund long term placements in September - change of practice for social workers in relation to use of respite - provide clarity to commissioned care home providers that respite beds will be used for short term care to ensure expectations of service, care home and service user are aligned 	Action has been taken to address current placements to ensure the service delivered is equitable, that the HSCP are appropriately financially assessing residents and that the commissioned care homes are funded for long term care placements. The appropriate use of emergency respite placements will be reinforced to the social work team. The longer term commissioning and use of respite provision for older people is being considered as part of the Care Home Strategy.	√	0	-	Helen McArthur
3	Equipment & Adaptations	<p>Temporary reduction (2019-20 only) in the equipment and adaptations budget.</p> <ul style="list-style-type: none"> - mirrors the reduction made in 2018/19 to assist with overall financial position, would not be sustainable on a recurring basis as provision of equipment fundamental to keeping people safe at home - priority for equipment provision will be: <ol style="list-style-type: none"> 1. support for end of life care 2. complete adaptations started or committed to in writing prior to tightened control of expenditure 3. maintain equipment and adaptations in situ and on which service users depend 4. provide essential equipment to support avoidance of hospital admission 	Potential delays to equipment and adaptations for service users, this will be kept under review together with any waiting lists and impact on delivery of community based services, including monitoring the costs of any delays in supporting individuals to be supported in the community.		323	200	Helen McArthur

Ref	Service Area	Action	Service Impact	IJB Support	Included in P10 Position £000's	Planned Impact £ 000's	Responsible Officer
Mental Health and Learning Disabilities:							
4	Learning Disabilities	<p>Prioritised Review of Adult Community Packages:</p> <ul style="list-style-type: none"> - targeted reviews to be carried out immediately, reviews co-ordinated on a prioritised list with a focus on individuals moving service provider following the outcome of the tender exercise and with high cost packages being prioritised - will be supported with significant additional LD social work capacity with additional professional lead, additional social workers and the employment of agency staff to accelerate planned reviews - reviews will ensure the split of personal and non-personal care is appropriate and equitable (to ensure equity of provision and charging) - direct payments to be reviewed to progress claw-back of underspends - incorporates looking at clients where the service provided has been less than than commissioned to formalise re-alignment of care packages based on need. 	Service users will be reviewed by a dedicated review team, the outcome should ensure that all reviews are up to date and appropriate and equitable levels of care are being provided. This process may cause some anxiety for service users as there is an expectation that significant reductions can be made to care packages. No reduction will be made to care packages unless deemed to be safe and appropriate by the service, however there may be some resistance to change from service users, their families and advocates.	√	479	750	Thelma Bowers
5	Learning Disabilities	<p>Trindlemoss development finalise the financial impact of the new service (LD day service, complex care unit and supported accommodation):</p> <ul style="list-style-type: none"> - for 2019/20 require to plan to mitigate delay in savings being achieved - opportunities to further reduce cost of amalgamating day services - identifying supports required for service users in supported accommodation - policy in relation to eligibility and prioritisation for supported accommodation, model of care blueprint for other supported accommodation coming online 	The opening of the new service at Trindlemoss (originally planned August 2019) has been delayed due to delays in the building works, this has impacted on the timescales for service users and patients transferring. The service will require to be configured around the affordability of the care and support, taking into account the positive environment and the opportunities the shared accommodation space offers in terms of reducing existing high cost care packages.	√	0	tbc	Thelma Bowers
6	Learning Disabilities	<p>Sleepovers - develop policy in relation to 24 hour care for Adults in the Community:</p> <ul style="list-style-type: none"> - policy decision to not provide one to one 24 hour sleepover service where there are: <ul style="list-style-type: none"> * supported accommodation alternatives available; * opportunities for service users to share a service (will be identified by geographically mapping services); or * where technology supports can be provided supported by a responder service. - Recovery plan action and financial impact is based on a plan to deliver a responder service from the Trindlemoss supported accommodation to support removal of sleepovers in the area 	This will result in the removal of one to one 24 hour support from service users, an enhanced overnight service will be provided from Trindlemoss to support capacity for response. Individual service user safety will be a priority and the one to one support will only be removed where safe to do so.	√	0	128	Thelma Bowers
7	Learning Disabilities	<p>Transition Cases (Adults aged 65+):</p> <ul style="list-style-type: none"> - reviews undertaken jointly with LD and Older People's service which will deliver some savings, some work outstanding in relation to these reviews where changes to care packages have been identified - further action to scrutinise outcome of reviews and equity of service provision across client groups, particularly for high cost care packages which are not equitable with community care provided in Older People's services - requires a clear policy decision in relation to transitions of care and funding for community based supports <p><i>Note that there have been several reviews undertaken which indicate that savings will be made. These savings can be limited in some of the more complex care packages as care is required on a 24/7 basis.</i></p>	Service users are being reviewed with a view to reducing the cost of packages as the clients transition to the Older People's service. Some reviews for high cost community packages have identified individuals suitable for the criteria of long term care but resistance from service users to change from current care and support. If care packages cannot be reduced the IJB will be asked to agree a policy decision on the level of care provided in such cases.		70	134	

Ref	Service Area	Action	Service Impact	IJB Support	Included in P10 Position £000's	Planned Impact £ 000's	Responsible Officer
8	Adult Community Packages	<p>Adult Resource Group no overall increase in care package provision:</p> <ul style="list-style-type: none"> - ARG in place for Mental Health and Learning Disability care packages for approval, ARG will no longer be permitted to approve any increase to existing or new care packages unless there has been a reduction in service elsewhere - will require social workers to proactively review caseload and use finite resource available to support whole client group - arrangements will remain in place until the service brings the overall expenditure on community care packages back into line 	Service users assessed as requiring a service will have to wait until resource has been identified to fund the care package, this is equitable with waiting lists for other services where resources are limited. This may result in delays in supports being provided but will also ensure that the service is managing, directing and prioritising resources effectively.	v	0		Thelma Bowers
9	All	<p>Self Directed Support:</p> <ul style="list-style-type: none"> - exploring how to embed this alongside the asset based approach promoted through the HSCP <i>Thinking Different, Doing Better</i> experience into services to change how we deliver services and balance service user and community expectations - undertaking self-evaluation for North Ayrshire against good practice, this will include stakeholder engagement to develop future approach 	Positive impact to embed Self Directed Support, with a view to being realistic in managing expectations of services and service users. Address a perceived inequity in how services are delivered and how embedded SDS is across social care services.	v	0	-	Stephen Brown
Children and Families:							
10	Looked After and Accomodated Children	<p>Children's External Residential Placements bring forward planned discharge dates:</p> <ul style="list-style-type: none"> - overspend due to delays in bringing children back from expensive external residential placements due to timescales slipping, recovery action based on pulling forward all estimated timescales by one month and moving to planned level of 14 placements by March 2020 - scrutiny of detailed plans for individual children, to be reviewed alongside the internal children's houses to free up capacity to bring children back to NA sooner - close working with Education services as shared ambition and requirements to provide educational supports within NA - formalise and reinforce governance arrangements for approval of new external children's placements 	Transformation plan to support more looked after children in North Ayrshire is focussed on delivering more positive outcomes for Children. Accellerating plans to move children to different care settings is challenging for the service as these are sensitive complex cases.		214	200	Alison Sutherland

Ref	Service Area	Action	Service Impact	IJB Support	Included in P10 Position £000's	Planned Impact £ 000's	Responsible Officer
Other:							
11	All	Recruitment freeze non-front line posts: - hold recruitment to all vacant non-front line care posts, eg support services, admin support - partnership vacancy scrutiny group remains in place and will ensure posts are not approved for recruitment until the new financial year	Minimal impact on front line services but depending on where vacancies arise during the rest of the year could have an impact on the capacity of support services, in particular to respond to service requests. The HSCP vacancy scrutiny group will ensure consideration is given to the impact on services when recruitment is delayed for individual posts.		200	200	Caroline Whyte
12	All	Moratorium non-essential expenditure: - communication issued to all budget holders (social care and health) with an instruction to delay or cease any areas of discretionary spend (areas including supplies and services, training, third party payments etc) - finance teams will liaise with budget holders as part of regular engagement and budgets will be removed non-recurringly to allow target reduction to be met	Minimal impact on front line services but is a short term one-off approach to reducing expenditure.		184	184	Caroline Whyte
13	All	Systems improvements re care packages: - Extension of CM2000 to adult services which will enable payment to care providers based on actual service delivered, being rolled out to some providers in advance of new tender - finance working with services to review areas where service delivered differs from that commissioned to improve systems and basis of financial projections, this work also supports ongoing reviews - action plan in relation to improving projections and actions identified from recent internal audit report re Community Based Care, including streamlining systems and processes to remove duplication, scope for error and reliability of information	Significant work required to review systems across social care services where different approaches are used for different service areas, some areas involve duplication of information and systems. Work will result in more assurance re the information reported, including financial projections and will also ensure the partnership has assurance that we only pay for the direct care delivered.		0	-	Thelma Bowers/ Helen McArthur/ Caroline Whyte
TOTAL					1,747	1,996	

NB - cost reductions in relation to the recruitment freeze and moratorium on non-essential expenditure have not been tracked at individual budget line level, but it is likely that these target reductions have been exceeded as these arrangements have been in place across all services since September 2019 and meetings with budget managers have identified significant areas where expenditure and posts are being held.

2019-20 Budget Reconciliation

Appendix E

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			95,067
Resource Transfer			23,112
ICF Procurement Posts - Transfer to Procurement	3	T	(85)
FPC under 65's Scottish Government Funding	3	P	702
Transfer to IT WAN circuit Kilwinning Academy	4	P	(3)
Waste Collection Budget	4	P	27
CLD Officer from ADP Budget to E & C	4	T	(31)
Transfer £10k to Communities for Youth PB	7	T	(10)
Challenge Fund Drawdown from Earmarked Funds	7	T	690
Hub Co-ordinator	9	P	(59)
Insurance	9	P	5
Period 10 reported budget			119,415

HEALTH	Period	Permanent or Temporary	£
Initial Approved Budget (based on month 9 of 2018-19)			145,425
Adjustments to reflect month 10 -12 of 2018-19 including non-recurring amounts			(1,845)
Opening baseline budget for 19-20			143,580
Resource Transfer			(23,112)
Superannuation Uplift	3	P	2,994
Voluntary Redundancy Scheme	3	P	271
Post from acute - PA to Clinical Nurse Manager, Long Term conditions	3	P	15
Post from acute - Clinical Nurse Manager, Long Term Conditions	3	P	34
Functional Electrical Stimulation Equipment from acute			10
Pharmacy Fees	3	P	19
HPV Boys Implementation	3	P	18
Action 15 (anticipated increase)	3	P	930
Post from Acute -Specialist Pharmacist in Substance Misuse	3	T	12
Old age liaison psychiatrist from acute	3	P	108
Patient Transport Service	3	P	49
Infant feeding nurse	3	T	41
Assoc Medical Director responsibility payment to Medical Director	3	T	(24)
Associate Medical Director sessions to the Medical Director	3	T	(71)
Contribution to the Technology Enabled Care (TEC) project	3	T	(50)
Superannuation Uplift Overclaimed	4	P	(270)
Action 15 overclaimed	4	T	(485)
Prescribing Reduction	5	P	(550)
Medical Training Grade Increase	5	P	51
Admin Transfer from South HSCP	6	P	19
NMAHP Clinical Lead	6	T	16
Woodland View – Hairdressing transfer from South	8	P	12
SLA Superannuation uplift	8	P	79

Medical Training Grade Increase	9	P	15
Arrol Park Enhanced GP service	9	P	(8)
Prescribing-Freestyle Libra Funding	9	P	97
Prescribing-Top slice 2019/20	9	P	(90)
GP ABI Contribution	9	T	(14)
Action 15 – Underclaimed	9	P	66
Distinction Award Funding for retired consultant	10	P	(17)
East HSCP Daldorch contribution	10	P	33
Period 10 reported budget			123,778
GRAND TOTAL			243,193

Integration Authorities

Financial Performance

Financial Year 2019/20 (Quarter 3)



OVERVIEW - BUDGET POSITION 2019/20

This is the third summary report which presents the overview of financial performance for all Integration Authorities (IA's) for quarter 3 of the financial year 2019/20. The position in respect of the NHS Highland Lead Agency arrangement is also included.

The total budget for health and social care services at quarter 3 is £9,424m. This is an increase of £75m (1%) from £9,349m at quarter 2 as follows:

- 26 IAs reported a set-aside budget which now totals £821m, an increase of £5m across 10 IAs.
- The NHS non-set aside budget increased by £59m to £5,767m.
- The local authority budget increased by £2m to £2,791m.
- The use of reserves increased by £9m to £45m.



FINANCIAL VARIANCES 2019/20 – FORECAST OUTTURN

At quarter 3, all 31 IAs have provided a forecast outturn to 31 March 2020. The projected net overspend for all IAs is £54.3m.

Projected outturns across the 31 IAs vary as follows:

- 22 IAs are projecting net overspends totalling £78.0m ranging from £0.2m to £15.6m
- 9 IAs are projecting net underspends totalling £23.7m ranging from £0.4m to £9.4m

This is the position before IAs take into consideration additional financial support from partners, the impact of financial recovery plans and the further use of reserves.

Forecast Outturns At 31 March 2020

Projected Cost Pressures

- | | |
|---------------------------|--------|
| • Non delivery of savings | £43.0m |
| • Demographics | £20.8m |
| • Prescribing | £11.3m |
| • Staffing pressures | £10.4m |
| • Price increases | £2.6m |

Total Cost Pressures	£88.1m
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Projected Net Underspends	£33.8m
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Projected Net Cost Pressures	£54.3m
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OFFICIAL



SIGNIFICANT FACTORS 2019/20

The factors contributing to the variances reported by IAs are detailed on the schedule which accompanies this covering report. The key highlights are summarised as follows:

- the ongoing challenge of delivering savings, in particular planned reductions in services not materialising due to increased demand being experienced
- increased activity of acute services
- additional demand for services and the increasing complexity of health and social care needs across older people, adult and children's services
- the timeline to implement new models of service delivery taking longer than originally anticipated
- ongoing challenges associated with identifying further cost reduction and savings opportunities
- prescribing cost pressures; and
- staffing costs including the cost of locums.

16 IAs are relying on the planned use of reserves totalling £45m. The increase in costs is also partly offset by underspends as a result of staff vacancies and slippage in the implementation of new funding. These options provide only non-recurring financial relief and recurring financially sustainable strategies need to be identified across IAs.

Work continues to be progressed to develop the set-aside monitoring arrangements.



IMPACT ON FUNDING 2019/20

It is currently estimated that the projected overspend totalling £54.3m will be addressed as follows:-

▪ Anticipated additional funding from NHS Boards	£26.3m
▪ Anticipated additional funding from Local Authorities	£5.8m
▪ Agreed financial recovery plan with no impact for partners	£8.7m
▪ Other funding solutions	£10.3m

Additional funding contributions from partner bodies have been required for those IA's who hold no contingency reserves or have fully utilised the contingency reserves which they hold.

The balance of cost pressures is projected to be offset by the net impact of 'further actions still to be determined or publicly reported' (£18m) and planned transfers to IJB reserves (£14.8m).

4 IAs remain in repayment arrangements with partners (£14.7m).

Repayment of Funding Advances

- £2.7m in 19/20
- £12m due 20/21 or later



UPDATE ON RESERVES

Reserves is a key component of the IA's funding strategy. It is important for the long term financial stability and the sustainability of the IA that sufficient contingency funds are held in reserve to manage unanticipated pressures from year to year. Similarly, it is also important that in-year funding available for specific projects and Government priorities are able to be earmarked and carried forward into the following financial year, either in whole or in part, to allow for the spend to be committed and managed in a way that represents best value for the IA in its achievement of the national outcomes. This includes Mental Health, Primary Care and Alcohol and Drugs services. The IJBs have also agreed to a flexible funding approach with some IAs whereby these reserves are accessed first before any further funding is released in order to afford flexibility for the Scottish Government in passing new funding to IJBs.

The requirement for financial reserves is acknowledged in statute and is part of a range of measures in place to ensure that s106 bodies do not over-commit themselves financially. The Ministerial Strategic Group also recognised the need for reserves and the need for IAs to have a prudent and transparent reserve policy. IAs face a number of financial risks including demand, inflation and the scale and pace of transformation, which can require IA's to access reserves.

General practice advises that contingency reserves should be held at 2% of the funding available. In the absence of a contingency reserve, reliance will require to be placed on each IA's Integration Scheme and additional contributions from partners to address unfunded cost pressures.

The IA's reserves have reduced by £0.5m at quarter 3 to £110m (Earmarked £83m; Contingency £27m). The contingency reserve represents only 0.3% of the total financial envelope of £9,424m. 7 IAs do not have any reserves. 9 IAs do not have a contingency reserve. 1 IA has a negative reserve. For 14 IAs, the contingency reserves range from 0.004% to 1.9% of their available funding.