

Subject: **2021-22 – Month 3 Financial Performance**

Purpose: To provide an overview of the IJB's financial performance as at Month 3 including an update on the estimated financial impact of the Covid-19 response.

Recommendation: It is recommended that the IJB:

- (a) notes the overall integrated financial performance report for the financial year 2021-22, the current overall projected year-end overspend of £1.748m and that there is no proposal to implement a Financial Recovery Plan at the current time;
- (b) notes the progress with delivery of agreed savings;
- (c) agrees the budget changes which are detailed at para 2.8 and Appendix D;
- (d) notes the updated estimated costs of the 2021-22 Covid mobilisation plan of £8.279m; and
- (e) note the remaining financial risks for 2021-22, including the impact of remaining Covid-19 estimates and costs.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
MH	Mental Health
CAMHS	Child & Adolescent Mental Health Services
RAG	Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
NRAC	NHS Resource Allocation Committee
GAE	Grant Aided Expenditure
PAC	Performance and Audit 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 June 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, before the impact of Covid-19, is a year-end overspend of £1.748m for 2021-22. This position assumes that all Covid-19 related costs, including the element of unachieved savings of £0.138m attributable to Covid-19, will be fully funded.
1.3	<p>From the core projections, overall, the main areas of pressure are learning disability care packages, residential placements for children and UnPACs within the lead partnership for mental health.</p> <p>There is confidence that this position can be improved during the year and at this stage a recovery plan is not being implemented while further work is done to investigate and challenge the most significant projected overspends. The projected overspend is well within the level of uncommitted reserves held of £4.151m so the overall financial risk is contained for 2021-22.</p>
1.4	There are follow up focus sessions arranged during August with LD services and Children's Services as they are the two areas of service with the largest projected overspend. These sessions will look at ways to reduce future spend to try and ensure future service provision can be contained within current resources.
2.	CURRENT POSITION
2.1	<p>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 plans to work towards financial balance.</p> <p>The report also includes detail of the estimated costs and potential financial impact of the Covid-19 response.</p>
	FINANCIAL PERFORMANCE – AT PERIOD 3
2.2	<p>At period 3 against the full-year budget of £261.669m there is a projected year-end overspend of £1.748m (0.7%). The Integration Scheme outlines that there is an expectation that the IJB takes account of the totality of resources available to balance the budget in year. Following this approach, an integrated view of the financial position should be taken, however it is useful to note that this overall position consists of a projected overspend of £1.838m in social care services and a projected underspend of £0.090m 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 £76.058m there is a projected underspend of £0.002m (0%) and the main variances are:</p> <p>a) Care home placements including respite placements (net position after service user contributions and charging order income) are projected to underspend by £0.426m. The budgeted number of permanent placements is 790 and at month 3 there are 774 placements. The projection assumes an increase of 10 in July and a further 6</p>

	<p>in August taking the total to the 790 budgeted placements. The occupancy in care homes has increased steadily following the reduction during 2020-21. Within the projection there is an assumption that placements that do not have a completed financial assessment (often due to the pressure to discharge from hospital) are costed at the current average cost of a placement. Their actual cost will not be known until the FA1 financial assessment is completed. The level of income recovered from charging orders was under recovered during 2020-21 due to the impact the pandemic had on house sales but for 2021-22 it is assumed to be online but this will be reviewed during the year.</p> <p>b) Care at home are reporting a balanced position; whilst there is a projected overspend on the budget due to additional capacity for Covid this remains in line with the costs included in the Covid funding plan. Bank staff are being offered contracts, the service are recruiting additional staff for the in-house service and also engaging with new and existing providers for additional commissioned services. The capacity for care at home will continue to grow during 2021-22 to meet the increase in demand for the service, this will be part of the Covid funding requirements and our longer-term ambition to shift the balance of care.</p> <p>c) Direct Payments are projected to overspend by £0.063m due to the waiting list for services being reduced during 2020-21.</p> <p>d) Residential Placements are projected to overspend by £0.188m due to placements transferring from adult to older people services.</p> <p>e) Carers Act funding is projected to underspend by £0.500m. This projected position assumes charges for respite are waived per the IJB 2021-22 budget paper recommendation and a contribution is made to the increased capacity for children's respite.</p>
2.4	<p>Mental Health Services</p>
	<p>Against the full-year budget of £80.721m there is a projected overspend of £1.320m (1.6%). The main variances are:</p> <p>a) Learning Disabilities are projected to overspend by £1.573m, included within this is overspends of £0.895m in community care packages, £0.528m in direct payments and £0.168m for residential placements.</p> <p>Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends. The current projection assumes the current level of commissioned support will continue for the year. Given the impact of this overspend on the overall projected outturn of the HSCP a follow up focus session with LD services will take place. This will look at ways to reduce spend including use of CM2000 data to target reviews.</p> <p>b) Community Mental Health services are projected to underspend by £0.255m included within this is underspends of £0.284m in community packages (inc direct payments) and £0.080m for residential placements.</p> <p>c) Supported Accommodation - there are potentially additional costs in relation to the upcoming supported accommodation developments. This is in relation to security,</p>

energy cost and void rent loss during the period between the builds being completed and the service users moving in.

d) The Lead Partnership for Mental Health is projecting to be online but within this online position there are variances as follows:

- A projected overspend in Adult Inpatients of £0.344m mainly due to staff in redeployment (£0.326m) following the closure of the Lochranza ward. There is also reduced bed sale income of £0.130m but this is included in the quarter 1 LMP return and will be covered by Covid-19 funding.
- UNPACS is projected to overspend by £0.863m the based on current number of placements which has increased. These placements are for individuals with very specific needs that require a higher level of security and/or care from a staff group with a particular skill set/competence. This can necessitate an UNPlanned Activities (UNPACs) placement with a specialist provider which can be out-of-area. Applications to approve a placement are made to the Associate Medical Director for Mental Health who needs to be satisfied that the placement is appropriate and unavoidable prior to this being agreed.
- A projected underspend in MH Pharmacy of £0.160m due to continued lower substitute prescribing costs.
- Learning Disability Services are projected to overspend by £0.324m. This is mainly due to high usage of supplementary staffing, cross-charging for a LD patient and redeployment staffing costs. Supplementary staffing costs relate to backfill for sickness, increase and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis however, due to the individuals being acutely unwell at present, this level of enhanced observations has been maintained for a lengthy period of time.
- The turnover target for vacancy savings for the Lead Partnership is held within the Lead Partnership as this is a Pan-Ayrshire target. There is a projected over-recovery of the vacancy savings target of £1.092m in 2021-22, further information is included in the table below:

Vacancy Savings Target	(£0.400m)
Projected to March 2022	£1.492m
Over/(Under) Achievement	£1.092m

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

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

- Adult Community Health services £0.080m
- Elderly Inpatients £0.249m
- CAMHS £0.373m
- Mental Health Admin £0.210m
- Psychiatry £0.400m
- Psychology £0.180m

2.5	Children & Justice Services
	<p>Against the full-year budget of £36.738m there is a projected overspend of £0.936m (2.5%). The main variances are:</p> <p>a) Care Experienced Children and Young People is projected to overspend by £1.273m. The main areas within this are noted below:</p> <ul style="list-style-type: none"> • Children's residential placements are projected to overspend by £1.158m. We started 21/22 with 17 placements which included 1 in secure but this increased to 20 placements in May due to other non-residential placements breaking down and 1 previous respite placement now becoming a permanent placement taking number to 21. Since May 2 placements have ended taking current placements to 19. Of these placements it is assumed that 2 will end in September (including the 1 Secure placement) and a further 5 will end by December taking placement numbers to 12 by the end of year. Progress with plans to move children from residential placements have been impacted by Covid-19 as there has been an impact on Children's Hearings and this has limited the availability of tenancies. The impact on Children's Hearing is improving but still not back to 'normal'. • Fostering placements are projected to underspend by £0.063m based on the budget for 131 places and 137 actual placements (of which 6 are Covid related and are funded through the Covid-19 mobilisation plan) since the start of the year. The fostering service is an area we are trying to grow, and a recruitment campaign was undertaken early in 2020-21 to attract more in-house foster carers to limit the ongoing requirement for external foster placements. • Fostering Xtra placements are projected to be £0.153m underspent based on the budget for 33 placements and 26 actual placements since the start of the year. • Private Fostering placements are projected to be £0.054m overspent based on the budget for 10 placements and 11 actual placements since the start of the year. • Kinship placements are projected to overspend by £0.075m based on the budget for 353 places and 364 actual placements since the start of the year. • Adoption placements are projected to overspend by £0.095m based on the budget for 57 places and 71 actual placements since the start of the year. <p>b) Children with disabilities – residential placements are projected to overspend by £0.337m based on 7 placements which are expected to continue until the end of the year.</p> <p>c) Transport costs – projected underspend of £0.050m due to less mileage being incurred.</p>
2.6	ALLIED HEALTH PROFESSIONALS (AHP)
	AHP services are projected to underspend by £0.125m due to underspends in non-employee costs.
2.7	MANAGEMENT AND SUPPORT
	Management and Support Services are projected to underspend by £0.381m which relates to funding set aside for unscheduled care. £0.277m of this funding is

	<p>b) The main areas to note are:</p> <ul style="list-style-type: none"> i) Red savings of £0.450m relating to reducing children's residential placements, £0.066m adoption allowances and £0.036m external fostering placements, all of which are projected to overspend. ii) Whilst all savings remain on the plan to be delivered there are delays with some savings with delays in implementation due to Covid-19, for example the savings in relation to day care for older people and adults. These savings of £0.138m are noted as red but are expected to be funded by covid funding. iii) The confidence with some savings has reduced since the budget was set due to the ongoing impact of Covid-19, for example Care at Home related savings. <p>Appendix C (i) shows the full Transformation Plan for 2021/22 which has been agreed by the Transformation Board; the 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.</p> <p>Not all of the service changes on the Transformation Plan have savings attached to them but there is an expectation that they will lead to service improvements. The Plan is critical to the ongoing sustainability and safety of service delivery and to supporting the delivery of financial balance in future.</p> <p>Appendix C (ii) provides an overview of those service changes which do have financial savings attached to them and the current RAG status around the deliverability of each saving.</p> <p>The unachieved savings due to Covid-19 have not been reflected in the overall projected outturn position as it is assumed the savings delays would be compensated with additional funding. The delays were included in the mobilisation plan return to the Scottish Government.</p>
2.10	<p>Budget Changes</p> <p>The Integration Scheme states that <i>"either party may increase it's in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the Integration Joint Board nor Services managed on a Lead Partnership basis....without the express consent of the Integration Joint Board"</i>.</p> <p>Appendix D highlights the movement in the overall budget position for the partnership following the initial approved budget. It should be noted that the budget for podiatry, previously held by the East partnership, has now been devolved in 21/22 to each partnership.</p> <p>Reductions Requiring Approval:</p> <p>It is recommended that the IJB approve the specific budget reductions below:</p> <ul style="list-style-type: none"> 1) British Sign Language £0.005m – transfer to corporate services 2) Office365 Licences for Care at Home £0.017m – transfer to IT services 3) Medical Records £0.034m – transfer to acute

- 4) Training Grade Funding £0.044m 3- reduction in funding
- 5) Respiratory Rapid Response £0.078m – contribution to a pan Ayrshire project

2.11 **NHS – Further Developments/Pan Ayrshire Services**

Lead Partnerships:

The IJB outturn position is adjusted to reflect the impact of Lead Partnership services. During 2020-21 agreement was reached with the other two Ayrshire partnerships that in the absence of any service activity information and alternative agreed risk sharing arrangements that the outturn for all Lead Partnership services would be shared across the 3 partnerships on an NRAC basis. This position is currently the default for 2021-22 pending further work to develop a framework to report the financial position and risk sharing across the 3 partnerships in relation to hosted or lead service arrangements has been delayed by the requirement to focus efforts on the Covid response.

The final outturn in relation to North Lead Partnership services would not be fully attributed to the North IJB as a share would be allocated to East and South partnerships, similarly the impact of the outturn on East and South led services will require to be shared with North. At month 3 the MH lead partnership is projected to be online.

East and South HSCP do not report at month 3 so the impact of their Lead Partnership services will not be known until month 4.

The split share of the final outturn is given below.

HSCP	NRAC Share
North	36.8%
South	30.8%
East	32.4%
TOTAL	100%

Set Aside:

The budget for set aside resources for 2021-22 is assumed to be in line with the amount for 2020/21 (£33.054m) inflated by the 2.8% baseline uplift. The 2020/21 value was based on 2019/20 activity as 2020/21 was not considered representative.

At the time of setting the IJB budget it was noted that this may require to be updated following the further work being undertaken by the Ayrshire Finance Leads to establish the baseline resources for each partnership and how this compares to the Fair Share of resources. It was anticipated that 2020-21 would be used as a shadow year for these arrangements, however this work was been delayed due to the Covid-19 response.

The annual budget for Acute Services is £370.300m. The directorate is overspent by £0.400m.

	<p>This is a result of:</p> <ul style="list-style-type: none">• Unachieved efficiency savings• High expenditure on medical and nursing agency staff, high rates of absence and vacancy causing service pressure• High numbers of delayed discharges <p>The IJBs and the Health Board previously submitted Remobilisation Plan 3 outlining how activity will return to normal as far as is possible. We are working together now on Remobilisation Plan 4 to reflect current circumstance.</p>																																				
	COVID-19 – FINANCE MOBILISATION PLAN IMPACT																																				
2.12	Summary of position																																				
	<p>From the outset of the pandemic the HSCP acted very swiftly to respond and developed a mobilisation plan detailing the additional activities to support our response, alongside the estimated financial impact. Financial returns were submitted to the Scottish Government on a regular basis during 2020-21, on the premise that any additional costs aligned to mobilisation plans would be fully funded. This process will continue during 2021-22. There is a risk that if the full cost of the Covid-19 response is not funded that the IJB may require to recover any overspend in-year.</p>																																				
2.13	Mobilisation Plan																																				
	<p>The initial 2021-22 mobilisation plan cost submission was submitted in February and estimated the costs to be £5.481m to March 2022. The quarter 1 return updated these costs to £8.279m. The costs remain estimates as the situation continually evolves and there will be updates submitted each quarter.</p> <p>The local finance mobilisation plan submission is included as Appendix E. The main areas of cost together with the movement over the period are summarised below:</p> <table><tr><th>Service Area</th><th>Initial 2021-22 Return £m</th><th>Quarter 1 Update £m</th><th>Change £m</th></tr><tr><td>Payments to Providers</td><td>0.750</td><td>2.421</td><td>1.671</td></tr><tr><td>PPE</td><td>2.000</td><td>2.000</td><td>-</td></tr><tr><td>Additional Staff</td><td>1.459</td><td>1.901</td><td>0.442</td></tr><tr><td>Mental Health</td><td>1.172</td><td>1.172</td><td>-</td></tr><tr><td>Loss of Income</td><td>0.100</td><td>0.430</td><td>0.330</td></tr><tr><td>Unachieved Savings</td><td>-</td><td>0.138</td><td>0.138</td></tr><tr><td>Other Areas</td><td>-</td><td>0.217</td><td>0.217</td></tr><tr><td>TOTAL</td><td>5.481</td><td>8.279</td><td>2.798</td></tr></table> <p>The most recent changes to estimated costs are in relation to:</p> <ul style="list-style-type: none">• Increased sustainability payments to providers based on the extension of transitional arrangements for support to September 2021; there is currently no certainty of the arrangements beyond September.	Service Area	Initial 2021-22 Return £m	Quarter 1 Update £m	Change £m	Payments to Providers	0.750	2.421	1.671	PPE	2.000	2.000	-	Additional Staff	1.459	1.901	0.442	Mental Health	1.172	1.172	-	Loss of Income	0.100	0.430	0.330	Unachieved Savings	-	0.138	0.138	Other Areas	-	0.217	0.217	TOTAL	5.481	8.279	2.798
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Unachieved Savings	-	0.138	0.138																																		
Other Areas	-	0.217	0.217																																		
TOTAL	5.481	8.279	2.798																																		

	<ul style="list-style-type: none"> • Increased staff costs including the impact of cover costs due to long covid; • Savings delays in relation to day care for adults and older people; and • Further loss of income from charging for services as not all services have restarted.
2.14	Covid-19 Funding Position
	<p>At the outset of the pandemic there was an assurance that subject to any additional expenditure being fully aligned to local mobilisation plans, including the IJB responses, reasonable funding requirements will be supported. This was on the basis that a process would be developed for these to be accurately and immediately recorded and shared with the Scottish Government. The basis of this reporting was drawn up and agreed with COSLA and Health and Social Care Partnerships.</p> <p>During 2020-21 various funding was awarded by the Scottish Government and the £3.479m underspend against these funding streams was earmarked by the IJB for use in 2021-22 to support Covid costs.</p> <p>The Scottish Government are continuing to work with Health Boards and IJBs to review and further revise financial estimates. This will allow identification of the necessary additional support required over and above the funding carried forward with an expectation that an allocation to bring funding up to 100% will be provided. On this basis the overall financial risk to the IJB for 21-22 is minimised. The main risk remaining being if costs increase significantly by the year-end, this is being closely monitored.</p>
2.15	Provider Sustainability Payments and Care Home Occupancy Payments
	<p>COSLA Leaders and Scottish Government have agreed an approach to supporting the social care sector to ensure that reasonable additional costs will be met.</p> <p>We have been making payments to commissioned social care providers in line with the agreed national principles for sustainability and remobilisation payments to social care providers during COVID 19.</p> <p>Care Home Occupancy Payments - we have engaged with older people's care homes in relation to care home occupancy payments and make regular monthly payments to care home providers with emergency faster payments being made if required. Meetings are being held with each care home to discuss ongoing sustainability and to provide support.</p> <p>Sustainability payments - providers are responsible for submitting a claim for additional support to the Partnership for sustainability payments and this is assessed as to what support is required on a case-by-case basis based on the supporting evidence provided. Each case is assessed by the same group to ensure equity and consistency across providers.</p> <p>In general, all payment terms have been reduced and once any payment is agreed it is being paid quicker to assist the cash flow position of providers. The assessment of some claims has been difficult due to delays with additional information and supporting evidence being submitted to support claims, hence there are a number of claims that are in process.</p>

The sustainability payments are estimated to be a significant cost in our mobilisation plan and the timely submission and assessment of claims is key to ensuring we can accurately estimate the financial cost and ensure the costs are reclaimed from the Scottish Government.

Providers in North Ayrshire are not all strictly adhering to these timescales and we are still receiving backdated claims, the commissioning team are working with providers to support them to submit claims.

The tables below show the support provided to date and the outstanding claims as at the end of June.

PROVIDER SUMMARY	NCHC Care Homes	Other	Total
Total Number of Providers	17	49	66
Number contacting NAC	17	9	26
Providers Supported to date	17	7	24

OUTSTANDING CLAIMS	NCHC Care Homes	Other	Total
Total Number of Claims	15	2	17
Value of Claims	283,384	110,534	393,918

SUPPORT PROVIDED	NCHC Care Homes	Other Services	TOTAL
	£	£	£
Occupancy Payments	551,102	0	551,102
Staffing	73,655	9,603	83,257
PPE, Infection Control	57,170	57,993	115,162
Other	7,203	8,616	15,819
TOTAL	689,129	76,211	765,340

Arrangements for support have been agreed alongside guidance which sets out the criteria that need to be met for financial support, the approach for payment for care that cannot be delivered, the categories of additional costs which may be met, the approach to evidencing additional costs and key principles for requesting and making payments.

The key principles of this ongoing support include:

- Understanding the reasons why care cannot be delivered, only Covid related impacts can be funded through sustainability payments;
- The 'planned care' approach of continuing to pay for undelivered care has been removed and providers and HSCPs will be required to explore opportunities for creatively delivering services in a different way, temporarily re-deploy staff into other HSCP services (voluntarily), where this is not possible providers will be required to access national supports in the first place, including the potential to furlough staff;

- Where payment for undelivered care is agreed as the only option this will be at a reduced level depending on the type of service, for example for care homes subject to the NCHC occupancy payments will be made at 80% of the rate for all vacancies, this is dependent on care homes continuing to admit new residents where it is clinically safe to do so;
- The Social Care Staff Support Fund will remain in place to ensure all staff receive their full pay during a Covid related absence; and
- Additional reasonable costs that are incurred as a result of Covid which cannot be covered from other funding sources will be reimbursed, including for example PPE, infection prevention control and additional staffing costs.

The current financial sustainability principles, guidance and criteria have now been extended until 30 September 2021, these were previously agreed to 30 June 2021.

2.16 RESERVES

The IJB reserves position is outlined in the table below.

The 'free' general fund balance of £4.151m is held as a contingency balance, this equates to around 1.6% of the IJB budget for 2021-22 so remains short of the target of 2% but does demonstrate significant progress towards establishing a contingency reserve.

£1.486m is held by the Council to support a further repayment of debt in 21-22 and this is not reflected in the financial projection. This position will continue in future years until the debt is cleared.

	General Fund Reserves		Earmarked Reserves		Total £m
	Debt to NAC £m	Free GF £m	SG Funding £m	HSCP £m	
Opening Balance - 1 April 2021	(3.807)	4.151	5.487	0.681	6.512
Earmarked as follows:					
: Primary Care Improvement Fund			0.935		
: Mental Health Action 15			0.224		
: Alcohol and Drugs Partnership			0.336		
: Community Living Change Fund			0.513		
: Covid Funding			3.479		
: Challenge Fund				0.500	
: 2021-22 Budget Gap				0.181	

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 2021-22 from within the available resource, thereby limiting the financial risk to the funding partners.</p> <p>The estimated costs and funding in relation to the Covid-19 response also require to be closely monitored to ensure that the IJB can plan for the impact of this and to ensure that the IJB is in the position to re-claim funding to compensate for the additional costs.</p>
3.2	<u>Measuring Impact</u>
	Ongoing updates to the financial position will be reported to the IJB throughout 2021-22.
4.	IMPLICATIONS
Financial:	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £261.669m there is a projected overspend of £1.748m (0.7%). The report outlines the main variances for individual services.</p>
Human Resources:	The report highlights vacancy or turnover savings achieved to date. Services will review any staffing establishment plans and recruitment in line with normal practice when implementing service change and reviews as per agreement with the IJB, there is no intention to sustain this level of staffing capacity reduction on a recurring or planned basis.
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.
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	√

5.	CONSULTATION
5.1	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>The IJB financial monitoring report is shared with the NHS Ayrshire and Arran Director of Finance and North Ayrshire Council's Head of Finance after the report has been finalised for the IJB.</p>
6.	CONCLUSION
6.1	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none"> (a) notes the overall integrated financial performance report for the financial year 2021-22, the overall projected year-end overspend of £1.748m and that there is no proposal to implement a Financial Recovery Plan at the current time; (b) notes the progress with delivery of agreed savings; (c) agrees the budget changes which are detailed at para 2.8 and Appendix D; (d) notes the updated estimated costs of the 2021-22 Covid mobilisation plan of £8.279m; and (e) note the remaining financial risks for 2021-22, including the impact of remaining Covid-19 estimates and costs.

For more information please contact:

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2021-22 Budget Monitoring Report–Objective Summary as at 30th June 2021

Appendix A

Partnership Budget - Objective Summary	2021/22 Budget								
	Council			Health			TOTAL		
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
COMMUNITY CARE AND HEALTH	58,291	58,129	(162)	17,767	17,927	160	76,058	76,056	(2)
: Locality Services	24,581	24,408	(173)	5,269	5,399	130	29,850	29,807	(43)
: Community Care Service Delivery	27,270	27,448	178	0	0	0	27,270	27,448	178
: Rehabilitation and Reablement	1,838	1,869	31	1,501	1,481	(20)	3,339	3,350	11
: Long Term Conditions	2,590	2,193	(397)	8,803	9,020	217	11,393	11,213	(180)
: Integrated Island Services	2,012	2,211	199	2,194	2,027	(167)	4,206	4,238	32
MENTAL HEALTH SERVICES	25,703	27,063	1,360	55,018	54,978	(40)	80,721	82,041	1,320
: Learning Disabilities	19,844	21,417	1,573	474	474	0	20,318	21,891	1,573
: Community Mental Health	5,023	4,808	(215)	1,682	1,642	(40)	6,705	6,450	(255)
: Addictions	836	838	2	1,381	1,381	0	2,217	2,219	2
: Lead Partnership Mental Health NHS Area Wide	0	0	0	51,481	51,481	0	51,481	51,481	0
CHILDREN & JUSTICE SERVICES	32,725	33,661	936	4,013	4,013	0	36,738	37,674	936
: Irvine, Kilwinning and Three Towns	3,335	3,329	(6)	0	0	0	3,335	3,329	(6)
: Garnock Valley, North Coast and Arran	2,077	2,044	(33)	0	0	0	2,077	2,044	(33)
: Intervention Services	1,696	1,692	(4)	367	367	0	2,063	2,059	(4)
: Looked After and Accommodated Children	17,778	19,051	1,273	0	0	0	17,778	19,051	1,273
: Quality Improvement	1,117	1,199	82	0	0	0	1,117	1,199	82
: Public Protection	4,119	3,740	(379)	0	0	0	4,119	3,740	(379)
: Justice Services	2,380	2,380	0	0	0	0	2,380	2,380	0
: Universal Early Years	223	226	3	3,220	3,220	0	3,443	3,446	3
: Lead Partnership NHS Children's Services	0	0	0	426	426	0	426	426	0
PRIMARY CARE	0	0	0	49,554	49,554	0	49,554	49,554	0
ALLIED HEALTH PROFESSIONALS			0	6,851	6,726	(125)	6,851	6,726	(125)
COVID NHS	0	0	0	191	191	0	191	191	0
MANAGEMENT AND SUPPORT COSTS	4,357	4,061	(296)	7,199	7,114	(85)	11,556	11,175	(381)
OUTTURN ON A MANAGED BASIS	121,076	122,914	1,838	140,593	140,503	(90)	261,669	263,417	1,748
Return Hosted Over/Underspends East	0	0	0	0	0	0	0	0	0
Return Hosted Over/Underspends South	0	0	0	0	0	0	0	0	0
OUTTURN ON AN IJB BASIS	121,076	122,914	1,838	140,593	140,503	(90)	261,669	263,417	1,748

Detailed Variance Analysis on a Managed Basis

Appendix B

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	76,058	76,056	(2)	
Locality Services	29,850	29,807	(43)	<p>Older People care homes inc respite - underspend of £0.426m based on 774 permanent placements and average cost applied to Gross & Interim funded places awaiting financial assessment. No current plans for return to use of Care Home Respite.</p> <p>Independent Living Services :</p> <ul style="list-style-type: none"> * Direct Payment packages- overspend of £0.063m on 183 current packages. * Residential Packages - overspend of £0.188m based on 35 packages. * Community Packages (physical disability) - overspend of £0.004m based on 44 packages . <p>District Nursing - overspend of £0.130m largely due to additional supplies.</p>
Community Care Service Delivery	27,270	27,448	178	Care at Home (inhouse & purchased) - overspend by £0.688m overall due to increased demand in Inhouse services. Overspend Inhouse £0.430m and in purchased care £0.258m. All of the £0.688m was brought online by COVID funding.
Rehabilitation and Reablement	3,339	3,350	11	Outwith the threshold for reporting
Long Term Conditions	11,393	11,213	(180)	<p>Carers Centre - underspend of £0.500m</p> <p>Anam Cara - overspend £0.105m mainly due to employee costs due to overtime & pilot of temporary post with a view to making longer term savings in bank & casual hours.</p>
Integrated Island Services	4,206	4,238	32	Outwith the threshold for reporting
MENTAL HEALTH SERVICES	80,721	82,041	1,320	
Learning Disabilities	20,318	21,891	1,573	<p>Residential Packages- overspend of £0.168m based on 35 current packages.</p> <p>Community Packages (inc direct payments) - overspend of £1.423m based on 336 current packages.</p>
Community Mental Health	6,705	6,450	(255)	Community Packages (inc direct payments) and Residential Packages - underspend of £0.284m based on 96 community packages, 10 Direct Payments and 25 residential placements.
Addictions	2,217	2,219	2	Outwith the threshold for reporting
Lead Partnership (MHS)	51,481	51,481	0	Outwith the threshold for reporting
CHIDREN'S AND JUSTICE SERVICES	36,738	37,674	936	
Irvine, Kilwinning and Three Towns	3,335	3,329	(6)	Outwith the threshold for reporting
Garnock Valley, North Coast and Arran	2,077	2,044	(33)	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Intervention Services	2,063	2,059	(4)	Outwith the threshold for reporting
Care Experienced Children & Young People	17,778	19,051	1,273	Looked After Children placements - Overall Projected underspend of £0.096m which is made up of the following:- Kinship - Projected overspend of £0.075m. Budget for 353 placements, actual no of placements is 364. Adoption - Projected overspend of £0.095m. Budget for 57 Placements, actual no of placements is 71 Fostering - Projected underspend of £0.063m. Budget for 131 placements, actual no of placements is 132 Fostering Xtra - Projected underspend £0.153m. Budget for 33 placements, actual no of placements is 26. Fostering Respite - Projected online Private fostering - Projected overspend of £0.054m. Budget for 10 placements, current no of placements is 11 Residential School placements - Projecting overspend £1.158m, Current no of placements is 19. (Which includes 1 Secure Placement)
Head of Service - Children & Families	1,117	1,199	82	Employee Costs - Projected overspend £0.080m, however this is partially offset with underspend within Garnock Valley
Quality Improvement	4,119	3,740	(379)	Employee Costs - Projected online Transports costs - Projected underspend of £0.008m Community Packages - Projected overspend of £0.010m . Currently 94 Community Packages on establishment list Direct Payments - Projected underspend £0.003m Current no of packages is 36 Children's Residential Placements - Projected underspend £0.337m Currently 7 Residential Placements.
Justice Services	2,380	2,380	0	Outwith the threshold for reporting
Universal Early Years	3,443	3,446	3	Outwith the threshold for reporting
Lead Partnership NHS Children's Services	426	426	0	Outwith the threshold for reporting
PRIMARY CARE	49,554	49,554	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	6,851	6,726	(125)	Underpsend on non employee costs
MANAGEMENT AND SUPPORT	11,556	11,175	(381)	Underpsend in relation to the unscheduled care funding.
TOTAL OUTTURN ON A MANAGED BASIS	261,478	263,226	1,748	

Threshold for reporting is + or - £50,000

2021/22 Transformation Plan

North Ayrshire Health and Social Care Partnership

2021/22 Savings

Appendix C(i)

Savings reference number	#	Description	Approved Saving 2021/22 £
Children, Families and Justice Services			
SP/HSCP/20/1	1	Children and Young People - External Residential Placements	450,000
SP/HSCP/20/4	2	Adoption Allowances	66,000
SP/HSCP/20/19	3	Fostering - reduce external placements.	36,000
SP/HSCP/20/5	4	Community Support - Children's Care Packages	8,000
TBC A	5	Locality Based teams	
TBC B	6	Childrens RosayIn House	
NACSTA4030	7	Fostering Short Breaks	
TBC C	8	Unaccompanied asylum children - to be confirmed	
TBC D	9	The Promise	
Mental Health			
TBC E	10	Integration of LD/MH Teams	50,000
SP-HSCP-20-9	11	Learning Disability Day Services	88,000
SP-HSCP-20-14	12	Mental Health - Flexible Intervention Service	8,000
TBC F	13	Rehab Model/ Stepdowm from woodland view	
TBC G	14	Perinatal Mental Health model	
TBC H	15	Unschedule Care hub	
TBC I	16	LD Adult Respite Delivery at Red Rose House	
TBC J	17	Community MDT Model	
TBC K	18	ACORN busines model	
NAC/4168	19	Self Harm Project	
NAC/4185	20	Peer Support	
NAC/4257	21	IPA (Employment)	
TBC L	22	Elderly Mental Health Phase 3	
Health and Community Care			
TBC M	23	Care Homes	500,000
TBC N	24	TEC Solutions	150,000
SP/HSCP/20/17	25	Care at Home - Reablement Investment	300,000
TBC O	26	Care at Home - Review	135,000
SP/HSCP/20/20	27	Day Centres - Older People	50,000
SP/HSCP/20/21	28	Charging Policy - Montrose House	50,000
TBC P	29	Community elderly MH Team Model	
TBC Q	30	NHS Beds Complex Care MH Beds	
TBC R	31	Pallative care and EOL business case	
TBC S	32	develop care at home minimum dataset	
TBC T	33	Occupational Therapy Review	
TBC U	34	Analogue to digital	
Partnership Wide			
TBC V	35	Supported acc models - NAC housing/ Sleepover/ outreach model	204,000
TBC W	36	Complex Care Model - Independent living change fund	
TBC X	37	Adult Complex care model - CM2000	
TBC Y	38	Payroll Turnover Inflation	57,000
TBC Z	39	Review of Admisinistrative Systems and Processes	150,000
SP/HSCP/20/22	40	Transport	50,000
TBC AA	41	Charging Policy - Inflationary Increase	50,000
TBC AB	42	North Payroll Turnover Inflation	10,000
TBC AC	43	North Elderly Mental Health inpatients (lead partnership)	116,000
TBC AD	44	HSCP Challenge Fund - invest to save	
TBC AE	45	Transitions	
TBC AF	46	Caring for Ayrshire prioritisation list	
TBC AG	47	SDS/ Carers Review	
TBC AH	48	Adult Review of Social Care	

Total

2,528,000

2021-22 Savings Tracker

Appendix C (ii)

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 3	Saving Delivered @ Month 3 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
Children, Families & Criminal Justice								
1	Children and Young People - External Residential Placements	Green	0.450	Red	-	-	0.450	Currently projecting an overspend. Focus session arranged.
2	Adoption Allowances	Green	0.066	Red	-	-	0.066	Currently projecting an overspend.
3	Fostering - Reduce external placements	Green	0.036	Red	-	-	0.036	Currently projecting an overspend.
4	Community Support - Children's Care Packages	Green	0.008	Green	0.008	-	-	Achieved
Mental Health and LD Services								
5	Integration of LD/ MH Teams	Green	0.050	Green	0.050	-	-	Achieved
6	Learning Disability Day Services	Green	0.088	Red	-	-	0.088	Delayed due to Covid-19
7	Mental Health - Flexible Intervention Service	Green	0.008	Green	0.008	-	-	Achieved
Health and Community Care								
8	Care Homes	Green	0.500	Green	0.120	0.380	-	Small overspend projected - keep under review.
9	TEC Solutions	Green	0.150	Amber	-	0.150	-	Ability to make savings in this area whilst responding to the pandemic are limited.
10	Care at Home - Reablement Investment	Green	0.300	Amber	-	0.300	-	
11	Care at Home - Review	Green	0.135	Amber	-	0.135	-	
12	Day Centres - Older People	Green	0.050	Red	-	-	0.050	Delayed due to Covid-19
13	Charging Policy - Montrose House	Green	0.050	Green	0.010	0.040	-	Will be achieved.
Whole System								
14	Payroll Turnover Inflation	Green	0.057	Green	0.017	0.040	-	Assumes month 4 - 12 matches the month 1 - 3 average.
15	Business Support Review	Green	0.150	Green	-	0.150	-	Projected to be achieved.
16	Supported Accommodation	Amber	0.204	Amber	-	0.204	-	Projected to be achieved but depends on the completion date and subsequent move in date.
17	Transport	Green	0.050	Green	0.050	-	-	Achieved
18	Charging Policy - Inflationary Increase	Green	0.050	Green	0.050	-	-	Achieved
TOTAL SOCIAL CARE SAVINGS			2.402		0.313	1.399	0.690	

Savings ref number	Description	Deliverability Status at budget setting	Approved Saving 2021/22 £m	Deliverability Status Month 3	Saving Delivered @ Month 3 £m	Projected to Deliver during Year £m	Projected Shortfall £m	Comment
19	Payroll Turnover Inflation	Green	0.010	Green	0.010	0	0	Achieved
20	Elderly Mental Health inpatients (lead partnership)	Green	0.116	Green	0.116	0	0	Achieved
TOTAL HEALTH SAVINGS			<u>0.126</u>		<u>0.126</u>	<u>0.000</u>	<u>0.000</u>	
TOTAL NORTH HSCP SAVINGS			<u>2.528</u>		<u>0.439</u>	<u>1.399</u>	<u>0.690</u>	

2021-22 Budget Reconciliation

Appendix D

COUNCIL	Period	Permanent or Temporary	£'m
Initial Approved Budget			100.065
Base budget adjustments	1		(0.053)
Resource Transfer	1	P	21.086
BSL Budget Correction	2	P	(0.005)
941 x CAH O365 Licences (6 months)	2	P	(0.017)
Budget Reported at Month 3			121.076
HEALTH	Period	Permanent or Temporary	£'m
Initial Approved Budget			154.659
Resource Transfer			(21.086)
Month 10-12 Adjustments			18.437
Adjust for Non-recurring funding			(20.435)
Full Year effect of Part Year Reductions			(0.057)
RX Return to reserves			1.027
Additional 1.3% Uplift			1.324
RX Cres			(0.828)
REVISED 21-22 BUDGET			133.041
Anticipate Trauma Funding	3	P	0.375
Anticipate Vet 1st Point - North HSCP	3	T	0.105
Anticipate NSAIS funding	3	P	0.634
Podiatry Re-align	3	P	0.678
RX Uplift 21.22	3	P	0.756
RX Uplift 21.22 NR	3	P	0.396
DOAC REVERSAL DRUG-NORTH	3	P	0.100
Funding transfer to Acute (Medical Records)	3	P	(0.034)
Specialist Pharmacist in Substance Misuse	3	P	0.012
Public Health Outcomes Bundle	3	P	0.242
Training Grade Funding	3	P	(0.044)
District Nursing Funding	3	P	0.119
Respiratory Rapid Response	3	P	(0.078)
Hd56 Action 15 Tranche 1	3	P	1.180
Hd69 Mat & Neo Psychological Intervention	3	P	0.123
Hd70 Perinatal & Infant MH	3	P	0.303
Hd7 MH Recovery and Renewal	3	T	2.393
Hd8 MH Support for Hosp Covid	3	T	0.103
North HSCP Covid Rmp3 M1-3	3	T	0.158
North HSCP Covid M1-3	3	T	0.034
Roundings	3	T	(0.003)
Budget Reported at Month 3			140.593
COMBINED BUDGET			261.669

Mobilisation Submission – Quarter 1

Total HSCP costs															
Total Covid-19 Costs															
£000s	April	May	June	July	August	September	October	November	December	January	February	March	Revenue Total	Non-recurring	Recurring
Additional PPE	167	167	167	167	167	167	167	167	167	167	167	167	2,000	0	2,000
Contact Tracing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Testing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Covid-19 Vaccination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Flu Vaccination	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scale up of Public Health Measures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Community Hospital Bed Capacity	0	0	0	184	40	40	40	40	40	40	40	40	505	505	0
Community Hubs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Care Home Placements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Capacity in Community	81	81	139	139	139	139	139	22	22	22	22	22	968	968	0
Additional Infection Prevention and Control Costs	5	1	3	3	3	3	3	3	3	3	3	3	38	38	0
Additional Equipment and Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional Staff Costs	14	16	128	146	146	153	153	153	153	153	153	153	1,521	1,521	0
Staff Wellbeing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional FHS Prescribing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additional FHS Contractor Costs	6	9	8	6	6	6	0	0	0	0	0	0	42	42	0
Social Care Provider Sustainability Payments	0	0	0	225	225	225	160	160	160	0	0	0	1,155	1,155	0
Social Care Support Fund Claims	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payments to Third Parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Homelessness and Criminal Justice Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Children and Family Services	18	18	18	18	18	18	18	18	18	18	18	18	217	217	0
Loss of Income	50	50	50	64	64	64	14	14	14	14	14	14	430	430	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Covid-19 Costs	340	342	514	952	808	816	695	578	578	418	418	418	6,875	4,875	2,000
Unachievable Savings	23	23	23	23	23	23	0	0	0	0	0	0	138	138	0
Offsetting Cost Reductions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Covid-19 Costs - HSCP - NHS	363	365	537	975	831	839	695	578	578	418	418	418	7,013	5,013	2,000
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Total Remobilisation Costs															
£000s	April	May	June	July	August	September	October	November	December	January	February	March	Revenue Total	Non-recurring	Recurring
Adult Social Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reducing Delayed Discharge	422	422	422	0	0	0	0	0	0	0	0	0	1,266	1,266	0
Digital & IT costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Remobilisation Costs	422	422	422	0	0	0	0	0	0	0	0	0	1,266	1,266	0
- - - - - - - - - - - - - - - -															
Total HSCP Costs	785	786	959	975	831	839	695	578	578	418	418	418	8,279	6,279	2,000