

Subject: Budget Monitoring – Month 5 (August 2019)

Purpose: To provide an update on financial performance to August 2019, including the projected outturn for the 2019-20 financial year.

Recommendation: It is recommended that the IJB:

- a) Note the projected year-end overspend of £2.308m;
- b) Approve the changes in funding as detailed in section 2.11 and Appendix E; and
- c) Note the potential impact of the Lead Partnerships.

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 July 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 £2.308m for 2019-20 which is an adverse movement of £0.311m from the previous reporting period. There is scope for this position to fluctuate due to in-year cost and demand pressures and assumptions in relation to funding and the achievement of savings. The position at July was a projected overspend of £1.997m and a financial recovery plan was approved by the IJB to work towards delivering financial balance. Progress against the plan will be closely monitored as the IJB may be required to approve additional actions later in the financial year if the planned impact is not realised.
1.3	There has been as adverse movement in the position which mainly relates to the inclusion of the full year funding impact of the Intermediate Care and Rehab model of care. The main areas of pressure continue to be learning disability care packages,

	care homes, care at home, looked after children, and adult in-patients within the lead partnership. Alongside the specific actions outlined in the financial recovery plan services will continue to deploy tight financial management controls to support bringing expenditure back into line with budget.
1.4	It is essential that the IJB operates within the delegated budget and commissions services from the Council and Health Board on this basis as financial balance needs to be achieved. The service transformation programme and the delivery of those service changes will be at the forefront as this will have the greatest impact on the delivery of financial balance and the ongoing sustainability and safety of services.
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 action required to work towards financial balance.
	FINANCIAL PERFORMANCE
2.2	<p>Against the full-year budget of £242.359m there is a projected overspend of £2.308m (0.95%). 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 £2.345m in social care services offset by a projected underspend of £0.037m in health services.</p> <p>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.</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	Community Care and Health Services
	<p>Against the full-year budget of £67.775m there is a projected overspend of £1.488m (2.2%) which is an adverse movement of £0.384m. The main reasons for the projected overspend are:</p> <ul style="list-style-type: none"> a) Care home placements including respite placements – projected to overspend by £0.167m (£0.010m adverse movement). This is mainly due to funding a number of emergency respite placements on a permanent basis which brings the care home respite budget online but increases the overspend on permanent placements to £0.367m. This was agreed as it was likely that the emergency placements would not be discharged, and it allows the permanent placements to be financially assessed with the individual contributing appropriately to their care. Permanent placements will continue to be managed to bring the budget back into line. 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 will require to be monitored closely. These overspends are partially offset by a projected over-recovery of Charging Order income of £0.200m which is based on income received to date and improved processes to track the charging orders. b) Independent Living Services are projected to overspend by £0.268 (favourable movement of £0.048m) which is due to an overspend on physical disability care

packages within the community and residential packages. There will be further work undertaken with the implementation of the Adult Community Support framework which will present additional opportunities for reviews and payment only for the actual hours of care delivered.

- c) Packages of care are projected to underspend by £0.097m which is an adverse movement of £0.006m. This is due to delays in new packages offsetting the use of supplementary staffing for existing packages, this has improved from the 2018-19 position.
- d) Care at home (purchased and in house) projected to overspend by £0.595m which is an adverse movement of £0.097m. The overspend is due to an increase in provided hours and the budget being reduced to reflect the 2019-20 approved saving. The overspend on 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 projection assumes that the number of hours currently being invoiced will reduce following an internal review of the hours provided. The service currently has, between hospitals and community individuals waiting on a care at home package and individuals waiting on an increase in their care packages.
- e) Long Term Conditions (Ward 1), projected overspend of £0.270m (adverse movement of £0.006m) which is mainly due to an overspend in employee costs to ensure staffing levels are at a safe level. This is a recurring pressure for which funding requires to be identified. This will be reviewed during 2019-20 along with other wards. Ward 2 is projected to be £0.026m underspent (favourable movement of £0.026m) 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.
- f) Community Care employee costs are projected to overspend by £0.308m (adverse movement of £0.020m) due to supernumerary / unfunded posts. These posts will be allocated to the appropriate service to manage the costs within the delegated budget.
- g) Locality services employee costs are projected to overspend by £0.176m (adverse movement of £0.031m) due to a projected shortfall in payroll turnover targets.
- h) Carers Act Funding is projected to underspend based on the currently committed spend. This could fluctuate depending on the volume of carers' support plans undertaken and the level of demand/services identified from these plans. This underspend will be used in the first instance to fund the projected overspend on care home respite placements.
- i) Intermediate Care (excluding Models of Care) is projected underspend by £0.089m due to vacancies.
- j) Intermediate Care and Rehab Models of Care is projected to overspend by £0.260m which represents the full year funding impact of the model. This is subject to a separate report on the agenda, and whilst the IJB has not formally agreed to fund this investment on a permanent basis the posts are filled on a permanent basis and the additional cost is unavoidable. The projected

	<p>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.</p> <p>k) Aids and adaptations – are projected to underspend by £0.200m per the approved recovery plan.</p>
2.4	<p>Mental Health Services</p> <p>Against the full-year budget of £75.483m there is a projected overspend of £1.275m (1.7%). The main reasons for the projected overspend are:</p> <ul style="list-style-type: none"> • Learning Disabilities – projected overspend of £1.364m, of which £1.157m is in relation to community care packages and £0.361m for residential placements. The projection assumes that the level of invoice variations will be higher than previously assumed and some slippage with planned new packages. These overspends are partially offset by vacant posts. • Community Mental Health – is projected to underspend by £0.031m (adverse movement of £0.022m) mainly due to vacancy savings (after allocating £0.090m of payroll turnover) and an underspend in care packages. • Addictions – is projected to be underspent by £0.095m (favourable movement of £0.005m) due to vacant posts. • Lead Partnership for Mental Health – overall projected overspend of £0.037m (favourable movement of £0.053m) which consists of: <p><i>Overspends:</i></p> <ul style="list-style-type: none"> • Adult inpatients £0.580m (favourable movement of £0.009m) - mainly due to the delay in closing the Lochranza ward on the Ailsa site. The ability to close Lochranza will be dependent on discharging at least two patients. The projection also assumes that a fifth bed will be sold by October 2019. • Psychiatry £0.025m (favourable movement of £0.020m) – overspend primarily due to agency costs. Agency staff are used in the absence of being able to recruit permanent posts. • UNPACS £0.242m (no movement) – based on current placements and an increased charge from the state hospital for the period April to August 2019. <p><i>Underspends:</i></p> <ul style="list-style-type: none"> • CAMHS £0.270m (favourable movement of £0.015m) – due to vacancies and delays with recruitment. This is after applying £0.150m of payroll turnover. • Psychology £0.160m (no movement) – due to vacancies. This is after applying £0.150m of payroll turnover.

	<ul style="list-style-type: none"> • Adult Community Mental Health £0.069m (no movement) - due to vacancies. • MH Pharmacy £0.154m (no movement) – due to continued lower substitute prescribing costs. • MH Admin £0.125m (favourable movement of £0.009m) - due to vacancies. <p>Note that elderly inpatients are reporting an adverse position at month 5 due to holding vacancies in relation to reconfiguring the wards. This resulted in using supplementary staff in the interim, but it is assumed to be online following implementation of the elderly mental health review.</p>
2.5	Children & Justice Services
	<p>Against the full-year budget of £35.745m there is a projected overspend of £1.069m (3%) which is an adverse movement of £0.150m. The main reasons for the projected overspend are:</p> <ul style="list-style-type: none"> a) Residential Schools and Community Placements – projected overspend of £1.262m (favourable movement of £0.109m). The projection is based on the current number of placements and estimated discharge dates for each placement. There are currently 22 placements and 2 secure placements. The reported projection assumes 3 discharges in December with the remaining 19 assumed to be still in a placement at the year end. There is no provision for any increase in placements. The favourable movement relates to two children transferring to the children with a disabilities care package budget. Whilst there has been some progress in reducing the overall number of external placements the financial benefit of this has been offset by unplanned secure placements. b) Looked After Children Placements – projected underspend of £0.118m (adverse movement of £0.018m) due to the current demand for fostering, adoption and kinship placements. c) Early Years – projected to underspend by £0.018m (adverse movement of £0.026m) mainly due to the level of vacancies in health visiting. This is after allocating £0.200m of payroll turnover and accounting for £0.175m of potential additional costs for the regrading of the HV posts. d) Children with Disabilities Residential Placements – projected underspend of £0.177m (adverse movement of £0.188m) due to two children transferring from Residential Placements.
2.6	Management and Support Costs
	<p>Against the full-year budget of £9.319m there is a projected underspend of £1.496m (16%) which is a favourable movement of £0.255m. This underspend relates to the potential delay in commitment for pressure funding set aside in the 2019-20 budget, the requirement for this funding will need to be closely monitored and may require to be delegated to services as and when required.</p>
2.7	Primary Care and Prescribing
	<p>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 5 prescribing is projected to be</p>

£1.107m overspent. This is not included in the projected outturn due to the NHS underwriting the overspend.

2.8 Savings Progress

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

RAG Status	Position at Budget Approval £m	Position at Period 5 £m
Red	-	0.393
Amber	2.980	2.529
Green	3.154	3.212
TOTAL	6.134	6.134

- b) The projected year-end outturn position assumes:

- i) £0.215m of the Red savings in relation to reducing LD sleepovers may 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 (LD sleepovers) or prevent the overspend increasing further (Trindlemoss).

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. Appendix C provides an overview of the savings plan, this highlights that at this stage a total of £2.319m 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.

2.9 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.

This 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 requires the IJB support and approval, while many of the plans are operational management actions there may be some resistance from service users and communities to any changes to care packages and services.

	<p>The plan will be monitored closely and 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 ensure are implemented at pace.</p> <p>The overall recovery plan will be an iterative document to remain under review. Progress with the plan will be monitored against to ensure it has the required impact and this will feature in future reporting to the IJB. The plan was agreed in September therefore at this stage it is difficult to quantify the impact, further detail in relation to progress and financial impact will be included in future financial monitoring reports.</p> <p>There is a risk that if the planned impact is not achieved that further actions will require to be added to the plan and these may include actions that would impact on the quality and performance of front-line services. The plan also highlights areas where a future policy decision may be required by the IJB to support delivery, where required this will be brought back to the IJB.</p>
2.10	<p>Financial Risks</p>
	<p>The 2019-20 budget setting paper noted unfunded pressures which could present a risk to the projected outturn position. This included:</p> <ul style="list-style-type: none"> a) Paid as if at work is a pressure relating to health employed staff and the payment of a holiday pay element for regular additional payments, e.g. overtime. The cost across the Health Board is estimated to be £1.4m but is unclear at this stage what the cost will be for each service, for North Ayrshire this is estimated to be around £0.2m. When the cost pressure value is known the partnership will look to services to fund from within existing resources where possible. 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 (circa £0.2m) from any underspend in the Primary Care Improvement Fund (PCIF). <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.</p> <p>The IJB may be asked to take further decisions during 2019-20 in relation to managing the above pressures.</p>
2.11	<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><i>Reduction Requiring Approval:</i></p>

	<p>The specific reductions that the IJB are required to approve are:</p> <ul style="list-style-type: none"> • Prescribing £0.550m – relates to a reduction an allocation for tariff reduction to global sum, this reduction is a flow through of a reduction in Scottish Government funding to the Health Board. As the Health Board underwrite prescribing budgets there is no risk to the IJB of this reduction. <p>It is recommended that the IJB approve the budget reductions outlined above.</p> <p><i>Future Planned Changes:</i></p> <p>Further areas which are outstanding and will be included in future reports include:</p> <ol style="list-style-type: none"> 1) Transfer of hub funding to the Communities Directorate (approx. £57k) 2) 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.
2.12	Lead Partnerships
	<p><i>North Ayrshire HSCP</i></p> <p>Services managed under Lead Partnership arrangements by North Ayrshire Health and Social Care Partnership are projected to be £0.051m (£0.037m MH and £0.014m Children) overspent. Full detail on the underspend is given in section 2.4 above.</p>
	<p><i>South Ayrshire HSCP</i></p> <p>Services hosted and/or led by the South Partnership are forecast to be online. 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 pressure. It should be noted that expenditure is volatile depending on the timing of purchases.</p>
	<p><i>East Ayrshire HSCP</i></p> <p>Services managed under Lead Partnership arrangements by East Ayrshire Health and Social Care Partnership are projected to marginally overspend by £0.288m in total. The overall Primary Care Lead Partnership projected overspend is £0.266m and this projected variance mainly relates to additional payments within Primary Medical Services to GP practices currently experiencing difficulty (mainly practices that the NHS Board is administering due to previous GPs handing back contracts). The GP practices in difficulty issue is extremely fluid however negotiations are progressing with practices with a view to them returning to independent contractor status. Additional Ayrshire Urgent Care Services costs resulting from increased rates being paid to attract GPs over certain periods can prove challenging to fill without financial incentives. These additional costs are partially offset by savings in Dental services. This reflects the month 4 position for East as their next update is month 6.</p>
	<p>Further work is being taken forward to develop a framework to report the financial position and impact of risk sharing arrangements across the 3 partnerships in relation to hosted or lead service arrangements. This is to ensure the IJB are fully sighted on</p>

	<p>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 5 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.</p> <p>The NRAC shares are: North 36.6%, South 30.5% and East 32.9%</p>
2.14	<p>Set Aside</p> <p>The Integration Scheme makes provision for the Set Aside Budget to be managed in-year by the Health Board with any recurring over or under spend being considered as part of the annual budget setting process. 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 £5.5m after 5 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.</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 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.</p>
3.	PROPOSALS
3.1	<u>Anticipated Outcomes</u>
	<p>Continuing to implement and monitor the financial recovery plan will allow the IJB to take the action where required to ensure the partnership can deliver services in 2019-20 from within the available resource, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.</p> <p>The transformational change programme will have the greatest impact on the financial sustainability of the partnership, the IJB require to have a clear understanding of progress with plans and any actions that can be taken to bring the change programme into line.</p>
3.2	<u>Measuring Impact</u>
	Updates to the financial position will be reported to the IJB throughout 2019-20.

4.	IMPLICATIONS
Financial:	<p>The financial implications are as outlined in the report.</p> <p>Against the full-year budget of £242.359m there is a projected overspend of £2.308m (0.95%). 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, this plan will require to be closely monitored and reviewed to determine if further actions may be required to bridge the gap.</p> <p>The main areas of financial risk which may impact on this position are highlighted in the report.</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. If the financial recovery plan does not deliver the required improvements to the financial position, there is a risk that further actions will require to be identified and service quality and performance may be compromised to achieve financial balance.
Community Benefits:	None

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

4.	CONSULTATION
4.1	<p>This report has been produced in consultation with relevant budget holders and the Partnership Senior Management Team.</p> <p>The report is shared with the Director of Finance for NHS Ayrshire and Arran and the Executive Director Finance and Corporate Support for North Ayrshire Council.</p>

5.	CONCLUSION
	<p>It is recommended that the IJB:</p> <ul style="list-style-type: none"> a) Note the projected year-end overspend of £2.308m; b) Approve the changes in funding as detailed in section 2.11 and Appendix E; and c) Note the potential impact of the Lead Partnerships.

For more information please contact:

Caroline Cameron, Chief Finance & Transformation Officer on 01294 324954 or carolinecameron@north-ayrshire.gov.uk

Eleanor Currie, Principal Manager – Finance on 01294 317814 or eleanorcurrie@north-ayrshire.gov.uk

2019-20 Budget Monitoring Report–Objective Summary as at 31 August 2019

Appendix A

Partnership Budget - Objective Summary	2019/20 Budget									Over/ (Under) Spend Variance at Period 4 £'000	Movement in projected budget variance £'000
	Council			Health			TOTAL				
	Budget	Outturn	Over/ (Under) Spend Variance £'000	Budget	Outturn	Over/ (Under) Spend Variance £'000	Budget	Outturn	Over/ (Under) Spend Variance £'000		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
COMMUNITY CARE AND HEALTH	54,814	56,038	1,224	12,961	13,225	264	67,775	69,263	1,488	1,104	384
: Locality Services	24,919	25,726	807	4,486	4,400	(86)	29,405	30,126	721	608	113
: Community Care Service Delivery	26,035	27,204	1,169	0	0	0	26,035	27,204	1,169	991	178
: Rehabilitation and Reablement	1,765	1,568	(197)	1,912	2,055	143	3,677	3,623	(54)	(100)	46
: Long Term Conditions	1,736	1,205	(531)	4,574	4,787	213	6,310	5,992	(318)	(395)	77
: Integrated Island Services	359	335	(24)	1,989	1,983	(6)	2,348	2,318	(30)	0	(30)
MENTAL HEALTH SERVICES	23,654	25,148	1,494	51,829	51,610	(219)	75,483	76,758	1,275	1,276	(1)
: Learning Disabilities	17,830	19,302	1,472	511	403	(108)	18,341	19,705	1,364	1,329	35
: Commmunity Mental Health	4,459	4,481	22	1,611	1,558	(53)	6,070	6,039	(31)	(53)	22
: Addictions	1,365	1,365	0	1,345	1,250	(95)	2,710	2,615	(95)	(90)	(5)
: Lead Partnership Mental Health NHS Area Wide	0	0	0	48,362	48,399	37	48,362	48,399	37	90	(53)
CHILDREN & JUSTICE SERVICES	32,135	33,144	1,009	3,610	3,670	60	35,745	36,814	1,069	919	150
: Intervention Services	3,859	3,950	91	325	371	46	4,184	4,321	137	157	(20)
: Looked After & Accomodated Children	16,325	17,341	1,016	0	0	0	16,325	17,341	1,016	1,059	(43)
: Fieldwork	4,713	4,765	52	0	0	0	4,713	4,765	52	6	46
: CCSF	311	266	(45)	0	0	0	311	266	(45)	(21)	(24)
: Criminal Justice	2,627	2,627	0	0	0	0	2,627	2,627	0	0	0
: Early Years	394	376	(18)	2,868	2,868	0	3,262	3,244	(18)	(44)	26
: Policy & Practice	3,906	3,819	(87)	0	0	0	3,906	3,819	(87)	(252)	165
: Lead Partnership NHS Children's Services Area Wide	0	0	0	417	431	14	417	431	14	14	0
PRIMARY CARE	0	0	0	47,169	47,169	0	47,169	47,169	0	0	0
ALLIED HEALTH PROFESSIONALS				5,131	5,081	(50)	5,131	5,081	(50)	(50)	0
MANAGEMENT AND SUPPORT COSTS	7,412	6,080	(1,332)	1,907	1,743	(164)	9,319	7,823	(1,496)	(1,241)	(255)
CHANGE PROGRAMME	655	655	(50)	1,082	1,082	0	1,737	1,737	(50)	(50)	0
TOTAL	118,670	121,065	2,345	123,689	123,580	(109)	242,359	244,645	2,236	1,958	278
Return Hosted Over/Underspends East	0	0	0		0	(17)			(17)	(34)	17
Return Hosted Over/Underspends South	0	0	0		0	(16)			(16)	(32)	16
Receive Hosted Over/Underspends East	0	0	0		0	105			105	105	0
REVISED PROJECTED OUTTURN	118,670	121,065	2,345	123,689	123,580	(37)	242,359	244,645	2,308	1,997	311

2019-20 Budget Monitoring Report – Detailed Variance Analysis per service

Appendix B

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	67,775	69,263	1,488	
Locality Services	29,405	30,126	721	<p>Older People permanent care homes - projected overspend of £0.367m based on 816 placements. Respite care is projected to be online.</p> <p>Income from Charging Orders - projected over recovery of £0.200m'</p> <p>Independent Living Services :</p> <ul style="list-style-type: none"> * Direct Payment packages- projected underspend of £0.089m on 62 packages and a net decrease of 1 packages expected during the year.. * Residential Packages - projected overspend of £0.020m based on 35 packages. * Community Packages (physical disability) - projected overspend of £0.159m based on 49 packages <p>NHS Packages of Care - projected underspend of £0.097m due to use of supplementary staffing offset by slippage in other packages.</p>
Community Care Service Delivery	26,035	27,204	1,169	<p>Care at home</p> <ul style="list-style-type: none"> - in house service - projected overspend of £0.139m 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 £0.456m. This is after reducing the budget by £0.500m to reflect the agreed 19-20 saving. There are four moratoria in place but the hours purchased from other providers has increased. <p>Direct Payments - projected underspend of £0.106m based on 28 packages continuing until the year end.</p> <p>Transport costs - projected overspend of £0.055m due to increase in staff mileage within care at home.</p> <p>Admin costs - projected overspend of £0.80m mainly due to mobile phone equipment.</p> <p>Supplies and Services - projected overspend of £0.125m in relation to uniforms and other supplies.</p> <p>Voluntary Organisations - projected overspend £0.088m mainly in relation to the Alzheimer service.</p> <p>Income - projected over recovery £0.043m mainly in relation to CM2000 non compliance charges.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Rehabilitation and Reablement	3,677	3,623	(54)	<p>Employee costs - projected underspend £0.190m due to vacancies.</p> <p>Intermediate Care and Rehab Models of Care - projected to overspend by £0.260m which is the full year funding impact.</p> <p>Aids and Adaptations - projected underspend of £0.200m per the approved recovery plan</p>
Long Term Conditions	6,310	5,992	(318)	<p>Ward 1 - projected overspend of £0.270m due to the use of supplementary staffing.</p> <p>Ward 2 - projected underspend of £0.026m assuming £0.504m of funding transfers from East HSCP in relation to Kirklandside patients.</p> <p>Elderly CMHT - underspend of £0.044m due to vacancies.</p> <p>Carers Act Funding - projected underspend of £0.561m 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	2,348	2,318	(30)	Outwith the threshold for reporting
MENTAL HEALTH SERVICES	75,483	76,758	1,275	
Learning Disabilities	18,341	19,705	1,364	<p>Residential Packages - projected overspend of £0.361m based on 41 current packages.</p> <p>Community Packages (inc direct payments) - projected overspend of £1.157m based on 291 current packages less 5% invoice variances. The projection assumes savings of £0.490m will be achieved and that any new packages or increases to current packages will be cost neutral. The direct payments projection is based on 40 current packages with a net increase of 3 to the year end less £0.102m recovery of unspent balances.</p> <p>Employee costs - projected underspend £0.073m mainly due to vacant posts</p>
Community Mental Health	6,070	6,039	(31)	Outwith the threshold for reporting
Addictions	2,710	2,615	(95)	<p>Employee costs - projected underspend £0.095m due to vacant posts</p> <p>ADP - projected online position.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Lead Partnership (MHS)	48,362	48,399	37	<p>Adult Community - projected underspend of £0.069m due to vacancies.</p> <p>Adult Inpatients- projected overspend of £0.580m due to a delay in closing the Lochranza wards. Assumes a 5th bed is sold from October.</p> <p>UNPACs - projected overspend of £0.242m which includes the charges from the state hospital (April - August 2019).</p> <p>LDS - assumed online pending completion of the relocation of services to Woodland View.</p> <p>Elderly Inpatients - assumed online pending the finalisation of the elderly mental health bed redesign.</p> <p>Addictions - projected underspend of £0.030m due to vacancies.</p> <p>CAMHS - projected underspend of £0.270m due to vacancies.</p> <p>MH Admin - projected underspend of £0.125 due to vacancies..</p> <p>Psychiatry - projected overspend of £0.025m due to agency costs.</p> <p>MH Pharmacy - projected underspend of £0.154m mainly within substitute prescribing.</p> <p>Psychology- projected underspend of £0.160m due to vacancies.</p> <p>Action 15 - assumed online position</p>
CHIDREN'S AND JUSTICE SERVICES	35,745	36,814	1,069	
Intervention Services	4,184	4,321	137	<p>Employee costs - projected overspend of £0.013m mainly due to incremental drift.</p> <p>Supported Carers Scheme - projected overspend of £0.031m based on 6 carers supporting 6 children.</p> <p>Transport Costs - projected overspend of £0.043m in relation to mileage costs.</p> <p>Third Party payments - projected overspend of £80k (combination , Children's 1st Advocacy and Action for Children (Functional Family Therapy)</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Looked After & Accom Children	16,325	17,341	1,016	<p><u>Looked After Children placements - projected underspend of £0.118m based on the following:-</u> Kinship - projected overspend of £0.050m. Budget for 339 placements, currently 334 placement but projecting 345 placements by the year end. Adoption - projected overspend of £0.003m. Budget for 74 placements, currently 74 placements. Fostering - projected underspend of £0.039m. Budget for 120 placements, currently 122 placements but projecting 114 placements by the year end. Fostering Xtra - projected underspend of £0.137m. Budget for 32 placements, currently 25 placements but projecting 24 placements by the year end. Private fostering - projected underspend of £0.081m. Budget for 11 placements, currently 10 placements. 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 £1.262m. 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. There are currently 22 placements. The projection assumes 3 discharges in December with the remaining 19 assumed to be still in a placement at the year end. There is no provision for any increase in placements.</p>
Fieldwork	4,713	4,765	52	Various minor overspends on transport and the out of hours service.
CCSF	311	266	(45)	Outwith the threshold for reporting
Criminal Justice	2,627	2,627	0	Outwith the threshold for reporting
Early Years	3,262	3,244	(18)	Outwith the threshold for reporting
Policy & Practice	3,906	3,819	(87)	<p>Employee costs - projected overspend of £0.084m due to non achieved payroll turnover.</p> <p>Residential Placements - projected underspend of £0.177m. This underspend has reduced as two children transferred from residential provision.</p>
Lead Partnership (CS)	417	431	14	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
PRIMARY CARE	47,169	47,169	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,131	5,081	(50)	Outwith the threshold for reporting
MANAGEMENT AND SUPPORT	9,319	7,823	(1,496)	Projected underspend - this underspend relates to pressure funding awarded as part of the 2019-20 and the pressures have not yet arisen. This funding will be closely monitored and delegated to services as and when required.
CHANGE PROGRAMME & CHALLENGE FUND	1,737	1,737	(50)	Outwith the threshold for reporting
TOTAL	242,359	244,645	2,236	

Threshold for reporting is + or - £50,000

Savings reference number	Description	Responsible Senior Management Lead	Deliverability Status at budget setting	Approved Saving 2019/20 £	Deliverability Status Month 5	Net Saving Achieved at Period 5 £000's
	Health and Community Care					
SP-HSCP-19-02	Roll out of multidisciplinary teams - Community Care and Health	Helen McArthur	Amber	55,000	Amber	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	Amber	0
SP-HSCP-19-09	Care at Home - Reablement Investment	Helen McArthur	Amber	500,000	Amber	0
SP-HSCP-19-12	Assessment and Self Directed Support	Isabel Marr	Green	150,000	Amber	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	Red / Amber	0
NHS - HSCP-1	Trindlemoss (full year impact is £0.370m)* NHS element	Jan Thomson	Amber	250,000	Green	0
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	Amber	0
SP-HSCP-19-06	Adult Community Support - Commissioning of Services	Jan Thomson/Julie	Green	388,000	Amber	1,500
NHS - HSCP-4	UnPACs - 7% reduction*	John Taylor	Green	200,000	Amber	0
NHS - HSCP-5	Substitute Prescribing - 5% reduction*	John Taylor	Green	135,000	Green	135,000
NHS - HSCP-3	Review of Elderly Mental Health Inpatients*	William Lauder	Green	727,000	Green	0
NHS - HSCP-6	See a 5th bed at Woodland View - MH inpatients*	William Lauder	Amber	90,000	Amber	0

	Children, Families and Justice Services					
SP-HSCP-19-03	Fostering - reduce external placements.	Mae Henderson	Green	127,408	Green	127,408
SP-HSCP-19-08	Children's residential placements (CF)	Mae Henderson	Amber	355,000	Amber	0
	Partnership Wide					
SP-HSCP-19-13	Charging Policy	Lisa Duncan	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	Green	16,000
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	Amber	208,333
SP-HSCP-19-17	Lean Efficiency Programme	Stephen Brown	Green	50,000	Amber	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		2,319,473

Ref	Service Area	Action	Service Impact	IJB Support	Included in P4 Position £000's	Planned Impact £ 000's	Responsible Officer
Health and Community Care:							
1	Care at Home	Reduction in Care at Home Provision: <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 embed the 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.			200	Helen McArthur
2	Care Homes - Respite Placements	Health and Community Care Service to enforce a policy and criteria in relation to emergency respite in commissioned care home settings: <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.	√	√	-	Helen McArthur
3	Equipment & Adaptations	Temporary reduction (2019-20 only) in the equipment and adaptations budget. <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.			200	Helen McArthur

Ref	Service Area	Action	Service Impact	IJB Support	Included in P4 Position £000's	Planned Impact £ 000's	Responsible Officer
Mental Health and Learning Disabilities:							
4	Learning Disabilities	Prioritised Review of Adult Community Packages: <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.	√		750	Thelma Bowers
5	Learning Disabilities	Trindlemoss development finalise the financial impact of the new service (LD day service, complex care unit and supported accommodation): <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.	√		tbc	Thelma Bowers
6	Learning Disabilities	Sleepovers - develop policy in relation to 24 hour care for Adults in the Community: <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.	√		128	Thelma Bowers
7	Learning Disabilities	Transition Cases (Adults aged 65+): <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 	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.	√		134	Thelma Bowers/Helen McArthur

Ref	Service Area	Action	Service Impact	IJB Support	Included in P4 Position £000's	Planned Impact £ 000's	Responsible Officer
8	Adult Community Packages	Adult Resource Group no overall increase in care package provision: <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.	√	√		Thelma Bowers
9	All	Self Directed Support: <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.	√		-	Stephen Brown
Children and Families:							
10	Looked After and Accomodated Children	Children's External Residential Placements bring forward planned discharge dates: <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. Accelerating plans to move children to different care settings is challenging for the service as these are sensitive complex cases.			200	Alison Sutherland

[illegible]

TOTAL

2019-20 Budget Reconciliation

Appendix E

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			95,067
Resource Transfer	3	P	22,993
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)
Period 5 reported budget			118,670

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	3	P	(22,993)
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 (Physio Equip) 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
Associate 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
Period 5 reported budget			123,689

GRAND TOTAL	242,359
--------------------	----------------

DIRECTION

From North Ayrshire Integration Joint Board

1.	Reference Number	24102019-XX	
2.	Date Direction Issued by IJB	24102019	
3.	Date Direction takes effect	24102019	
4.	Direction to	North Ayrshire Council	
		NHS Ayrshire & Arran	
		Both	X
5.	Does this direction supercede, amend or cancel a previous direction – if yes, include the reference numbers(s)	Yes	X – 26092019-08
		No	
6.	Functions covered by the direction	All NAHSCP delegated functions	
7.	Full text of direction	NHS Ayrshire and Arran & North Ayrshire Council are required to: <ul style="list-style-type: none"> Action the budget changes outlined in para 2.11 and Appendix E; and Deliver the Financial Recovery Plan detailed in Appendix D. 	
8.	Budget allocated by Integration Joint Board to carry out direction	North Ayrshire Council £118.670m NHS Ayrshire & Arran £123.689m TOTAL £242.359m	
9.	Performance Monitoring Arrangements	Regular financial updates will be reported to the IJB during 2019-20, the financial recovery plan will be monitored to ensure this aligns with delivering financial balance.	
10.	Date of Review of Direction (if applicable)	n/a	