

Subject:	Budget Monitoring – Month 8 (November 2019)
Purpose:	To provide an update on financial performance to November 2019, including the projected outturn for the 2019-20 financial year.
Recommendation:	It is recommended that the IJB: <ul style="list-style-type: none"> a) Note the projected year-end overspend of £2.524m; b) Note the changes in funding as detailed in section 2.12 and Appendix E; and c) Note the North Ayrshire IJB position in the context of the national financial position for Integration Authorities across Scotland.

Glossary of Terms	
NHS AA	NHS Ayrshire and Arran
HSCP	Health and Social Care Partnership
MH	Mental Health
CAMHS	Child & Adolescent Mental Health Services
BRAG	Blue, Red, Amber, Green
UNPACS	UNPACS, (UNPlanned Activities) – Extra Contractual Referrals
CRES	Cash Releasing Efficiency Savings
NES	NHS Education Scotland – education and training body
NRAC	NHS Resource Allocation Committee

1.	EXECUTIVE SUMMARY
1.1	The report provides an overview of the financial position for the partnership and outlines the projected year-end outturn position informed by the projected expenditure and income commitments, these have been prepared in conjunction with relevant budget holders and services. This report reflects the position at the November period end and is as current and up to date as can practicably be reported.
1.2	The projected outturn is a year-end overspend of £2.524m for 2019-20 which is a favourable movement of £0.445m 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. A financial recovery plan was approved by the IJB in September to work towards delivering financial balance. The plan includes actions to address the areas of overspend to help work towards financial balance this year whilst also delivering a recurring benefit to ensure financial sustainability in future years. Alongside the specific actions outlined in the financial recovery plan services will continue to deploy tight financial management controls to support bringing expenditure back into line with budget. We are in the process of meeting individually with budget managers across the partnership to help identify any further opportunities to reduce the projected overspend.

1.3	<p>The main areas of pressure continue to be learning disability care packages, care at home, looked after children, and adult in-patients within the lead partnership. There has been a favourable movement in the position which mainly relates to updating assumptions for the future level of care at home services and plans to reduce the number of children's residential placements. Partly offsetting these reductions is a lower than anticipated level of invoice variances in Learning Disability care packages and an increase in demand for fostering services.</p>
1.4	<p>Whilst the financial position is improving, this is not moving at the pace required to provide assurance that financial balance can be delivered by the year-end. It will be extremely challenging to recover this overspend by this point in the financial year, there would be a significant impact of short-term decisions and actions that would require to be taken to fully recover this position. Those actions would inevitably have longer term consequences, both financially and for individual people's outcomes and would not necessarily address the areas where we continue to have financial and operational pressures.</p> <p>North Ayrshire Council continue to hold £1.486m on behalf of the IJB to allow the repayment of the outstanding debt of £5.139m to the Council over the next 3-4 years. Realistically the IJB will not be in a position as planned to make this year's instalment and the IJB should focus on ensuring the final outturn position is limited to £1.5m, to ensure that there is no increase to the overall debt position at the year-end. The adjusted projected outturn position offset by the debt repayment budget is £1.038m.</p>
1.5	<p>Across Scotland Integration Joint Boards are facing similar financial challenges, whilst there are different individual local circumstances there are similarities with the factors contributing to financial pressures. The total budget delegated for Health and Social Care services to IJBs across Scotland is £9.3bn. The most recent collated Q2 position for 2019-20 reports that 25 out of 31 IJBs are reporting an overspend position totalling £86.3m, the main areas contributing to this are delays in delivering planned savings and demographic service pressures or increase in demand for services.</p> <p>With the exception of prescribing costs which in North Ayrshire are underwritten by the Health Board, these are all pressures recognised for the North Ayrshire IJB. The partnership continue to actively engage in national networks, best practice forums and review examples of good practice and transformation from other areas.</p>
2.	CURRENT POSITION
2.1	<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 actions required to work towards financial balance.</p>
	FINANCIAL PERFORMANCE
2.2	<p>Against the full-year budget of £243.165m there is a projected overspend of £2.524m (1%). 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 £2.607m in social care services offset by a projected underspend of £0.083m 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	<p>Community Care and Health Services</p>
	<p>Against the full-year budget of £68.215m there is a projected overspend of £0.894m (1.3%) which is a favourable movement of £0.381m. 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 £0.089m (£0.001m favourable movement). 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. The overspend in permanent placements is partly 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. The care home budget has moved into a sustainable position and if this can be maintained over the winter period the opening position for the budget for 2020-21 will be an underspend. The IJB will be provided with an update as part of budget setting in March 2020 aligning the future resources with the Strategic Commissioning Plan for Care Homes. b) Independent Living Services are projected to overspend by £0.265m (adverse movement of £0.035m) 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 will ensure payment only for the actual hours of care delivered. c) Packages of care are projected to underspend by £0.094m which is a favourable movement of £0.004m. 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 is projected to overspend by £0.530m which is a favourable movement of £0.363m. The movement is due to updating the assumptions as follows: <ul style="list-style-type: none"> i. A favourable movement due to an assumption on the number of hours potentially to be refunded following an internal review of the hours provided and an ongoing contractual issue with a commissioned provider ii. A favourable movement due to planned reviews to the year-end with a target for hours to reduce by 50 per week. This reduction will allow for capacity to be freed up in the internal service to facilitate hospital discharge and manage waiting lists and a reduction in cost from commissioned services. <p>The overspend for in-house services relates to providing additional hours to cover a service that a provider handed back and the in-house service had to increase capacity to ensure the safety of vulnerable service users within the community of the North Coast locality and also the need to facilitate patient discharges from Crosshouse Hospital. The service currently has, between hospitals and community a managed waiting list of individuals waiting on a care</p>

at home package or an increase in their existing care package. The additional cost of clearing this waiting list (part year costs) would be approximately £0.6m.

The planned action around reviews to reduce purchased care and maximise the capacity of the in-house service will reduce the ongoing overspend in care at home, despite this based on current plans there may remain an overspend moving into 2020-21. This will be addressed as part of the 2020-21 budget planning alongside consideration of demand pressure funding and savings to ensure a sustainable position moving forward.

- e) Long Term Conditions (Ward 1), projected overspend of £0.279m (adverse movement of £0.005m) 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 £0.010m underspent (adverse movement of £0.010m) but this is subject to continuing to receive £0.504m of funding from East HSCP for their patients, East have indicated their intention to reduce the number of commissioned beds, this is not anticipated to be implemented during 2019-20.
- f) Community Care employee costs are projected to overspend by £0.147m (favourable movement of £0.046m) due to supernumerary / unfunded posts and the non-achievement of payroll turnover. Some of these posts have been allocated to the care at home service and others have still to be allocated to the appropriate service to manage the costs within the delegated budget.
- g) Locality services employee costs are projected to overspend by £0.153m (favourable movement of £0.008m) due to a projected shortfall in payroll turnover targets.
- h) Carers Act Funding is projected to underspend by £0.268m (no movement) based on the currently committed spend. This could fluctuate depending on the number of carers' support plans undertaken and the level of demand/services identified from these plans. An allocation of £117k has previously been allocated to offset an overspend on care home respite placements.
- i) Intermediate Care (excluding Models of Care) is projected underspend by £0.092m (favourable movement of £0.003m) due to vacancies.
- j) Intermediate Care and Rehab Models of Care is projected to overspend by £0.247m (no movement) which represents the full year funding impact of the model. The projected overspend is based on the posts which are currently filled, with an assumption that any vacancies would be held until a longer-term decision on funding investment is taken.
- k) Aids and adaptations – are projected to underspend by £0.200m per the approved recovery plan.
- l) District Nursing – is projected to underspend by £0.055m due to vacancies.

2.4

Mental Health Services

Against the full-year budget of £76.122m there is a projected overspend of £1.308m (1.7%) which is an adverse movement of £0.448m. The main reasons for the projected overspend are:

- Learning Disabilities – projected overspend of £1.217m (adverse movement of £0.240m), of which £0.617m is in relation to community care packages, £0.330m for direct payments and £0.355m for residential placements. These overspends are partially offset by vacant posts. The projection assumes that savings of £0.289m will be made before the year end. The main reason for the adverse movement is a revision to the level of assumed invoice variations as several care packages have now been reviewed and it has become clear that the level of variation has been lower than expected and lower than in previous years. Community Learning Disability Care packages are proving to be one of the most challenging areas to address overspends, as the care packages are aligned to meet an individual's assessed needs. The recovery plan includes the prioritised review of all packages. Progress with the reviews has been slower than planned due to the implementation of the Adult Community Support Contract and also a number of packages that have been reviewed, particularly the higher cost packages, have concluded that no change is possible at this time. This work is ongoing and will continue to be a fluid position until the year-end, the financial implications for 2020-21 will require to be considered as part of the budget process for next year.
- Community Mental Health – is projected to underspend by £0.166m (favourable movement of £0.043m) mainly due to vacancy savings and an underspend in care packages.
- Addictions – is projected to be underspent by £0.104m (adverse movement of £0.006m) due to vacant posts.
- Lead Partnership for Mental Health – overall projected overspend of £0.361m (adverse movement of £0.325m) which consists of:

Overspends:

- Adult inpatients £0.620m (adverse movement of £0.020m) - mainly due to the delay in closing the Lochranza ward on the Ailsa site. The ability to close Lochranza is dependent on discharging at least two patients from South Ayrshire. South HSCP have been advised that the Lochranza ward will close, the projection also assumes subsequent redeployment costs.
- Psychiatry £0.145m (adverse movement of £0.120m) – overspend primarily due to agency costs. Agency staff are used in the absence of being able to recruit permanent posts. The adverse movement is due to the Medical Pay Award (£0.160m) which was not funded.
- UNPACS £0.399m (£0.117m adverse movement) – based on current placements which increased by one and an increased charge from the state hospital for the period April to August 2019.
- Elderly inpatients £0.200m (£0.100m adverse movement) - due to holding vacancies in relation to reconfiguring the wards. This resulted in using supplementary staff in the interim.

	<p><i>Underspends:</i></p> <ul style="list-style-type: none"> • CAMHS £0.228m (£0.042m adverse movement) – due to vacancies and delays with recruitment. This is after applying £0.150m of payroll turnover. • Psychology £0.253m (£0.053m favourable) – due to vacancies. This is after applying £0.150m of payroll turnover. • Adult Community Mental Health £0.100m (£0.002m favourable movement) - due to vacancies. • MH Pharmacy £0.132m (£0.028m adverse movement) – underspend due to continued lower substitute prescribing costs. • MH Admin £0.155m (favourable movement of £0.016m) - due to vacancies.
2.5	Children & Justice Services
	<p>Against the full-year budget of £35.671m there is a projected overspend of £1.260m (3.5%) which is a favourable movement of £0.155m. The main reasons for the projected overspend are:</p> <ol style="list-style-type: none"> Residential Schools and Community Placements – projected overspend of £1.101m (£0.285m favourable movement). The projection is based on the current number of placements and estimated discharge dates for each placement. There are currently 20 external residential placements and 2 secure placements. The reported projection assumes the secure placements end in January 2020, 4 discharges by end of December with the remaining 16 assumed to be in place until March 2020. These assumptions are based on individual plans for children. There is no provision for any increase in placements. The service are working with housing colleagues to develop alternatives for older children in care to free up local care capacity to support the reduction in external residential placements. This work ties in with future plans to further reduce the requirement for residential placements and if the planned timescales are met by March 2020 then the budget will be back into a sustainable position and on track to deliver further savings moving into 2020-21. Looked After Children Placements – projected overspend of £0.203m (adverse movement of £0.120m) due to the current increased demand for fostering, adoption and kinship placements. External placements were made as there were no internal foster carers available. Unless additional internal foster carers are recruited there will be a continued need to use external foster placements. A recruitment campaign is planned to attract more in-house foster carers. Children with Disabilities Employee Costs – projected overspend £0.087m (favourable movement of £0.005m) as the turnover target will not be met.
2.6	Allied Health Professionals
	AHP services are projected to underspend by £0.069m due to vacancies.
2.7	Management and Support Costs

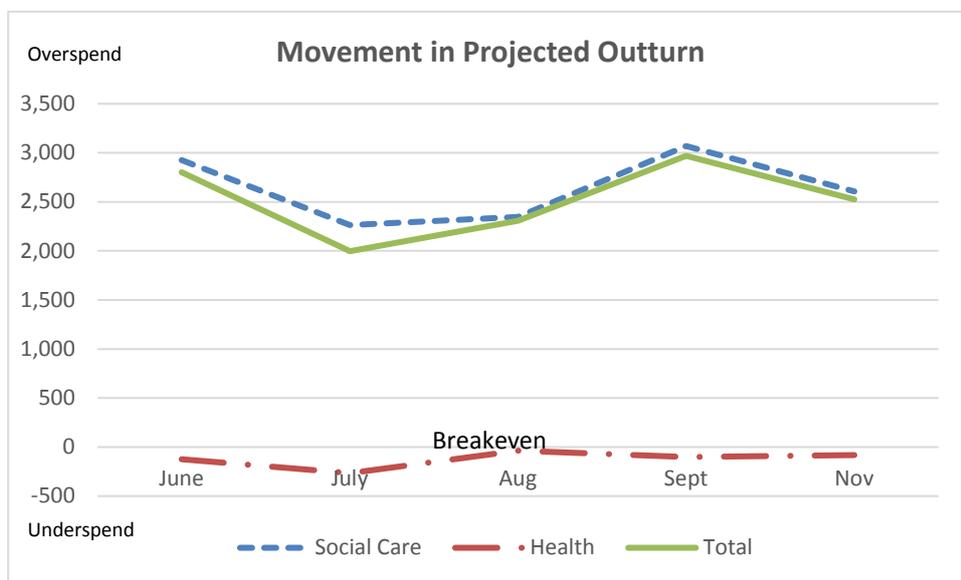
Against the full-year budget of £8.867m there is a projected underspend of £0.690m (7.8%) which is an adverse movement of £0.055m. The underspend relates to the potential delay in commitment for pressure funding set aside in the 2019-20 budget, the most significant element of this is linked to the delay in opening of the Trindlemoss development. The requirement for this funding will need to be closely monitored and may require to be delegated to services as and when required.

2.8 Primary Care and Prescribing

Prescribing is the responsibility for the Health Board to fund and under the terms of the Integration Scheme the Health Board continues to underwrite the prescribing position across the three Ayrshire IJBs. At month 7 prescribing is projected to be £1.383m overspent (no movement). This is not included in the projected outturn due to the NHS underwriting the risk of overspend.

2.9 Movement in Projected Outturn Position

The table below shows the overall movement in the projected outturn position throughout the financial year:



The partnership financial position has been challenging since the start of the year, with a significant projected overspend projected in the first reporting period. This is reflective of the challenges in delivering savings against a backdrop of continuing to prioritise and meet existing and new demand for services.

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

Whilst the financial position is improving, this is not moving at the pace required to provide assurance that financial balance can be delivered by the year-end. It will be extremely challenging to recover this overspend by this point in the financial year, there would be a significant impact of short-term decisions and actions that would require to be taken to fully recover this position. Those actions would inevitably have longer term consequences, both financially and for individual people's outcomes and would not necessarily address the areas where we continue to have financial and operational pressures.

North Ayrshire Council continue to hold £1.486m on behalf of the IJB to allow the repayment of the outstanding debt of £5.139m to the Council over the next 3-4 years. Realistically the IJB will not be in a position as planned to make this year's instalment and the IJB should focus on ensuring the final outturn position is limited to £1.5m, to ensure that there is no increase to the overall debt position at the year-end. The adjusted projected outturn position offset by the debt repayment budget is £1.038m.

2.10 **Savings Progress**

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

RAG Status	Position at Budget Approval £m	Position at Period 7 £m
Red	-	0.270
Amber / Red	-	1.683
Amber	2.980	1.002
Green	3.154	3.179
TOTAL	6.134	6.134

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

- i) £0.270m of the Red savings in relation to reducing LD sleepovers (£0.215m) and the roll out of MDTs (£0.055m) will not be delivered as planned and this is reflected in the overall projected outturn position; and
- ii) The £0.328m risk of savings relating to Trindlemoss is partially reflected (£0.178m) in the projected overspend position as there is ongoing work to establish the deliverability of the saving given that the savings were based on the service being operational from September.

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

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

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

	<p>Appendix C provides an overview of the savings plan, this highlights that at this stage a total of £3.179m of savings have been delivered successfully.</p> <p>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.</p>
2.11	<p>Financial Recovery Plan</p>
	<p>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.</p> <p>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 as whilst many of the actions are operational management decisions there may be some resistance from service users and communities to any changes to care packages and services.</p> <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 to ensure progress at pace.</p> <p>The further actions noted below were subsequently noted to be undertaken:</p> <ol style="list-style-type: none"> 1) Care at Home – review feedback from the Thinking Differently Doing Better sessions to identify the main ‘themes’ that can be taken forward to maximise capacity, including visits, assessment and review process, electronic communication with staff. Since September almost all of the communication with staff has moved to an electronic format. 2) Learning Disability – continue the focussed work with weekly progress updates. Hold a development session with the learning disability team to ensure that progress made to date is embedded moving forward. Progress the responder service on a geographical cluster basis with Trindlemoss being the piloted area. 3) In house fostering – grow the number of in-house foster carers through a recruitment campaign (advertising, radio and social media campaign). Review the terms and conditions for foster carers. A recruitment campaign is being designed and will be launched in the coming weeks. 4) Children’s Residential Placements – work with housing colleagues to develop alternatives for older children in care to ensure local capacity can be used to reduce the numbers of external placements.

	<p>The plan includes actions to address the areas of overspend to help work towards financial balance this year whilst also delivering a recurring benefit to ensure financial sustainability in future years. Alongside the specific actions outlined in the financial recovery plan services will continue to deploy tight financial management controls to support bringing expenditure back into line with budget. We are in the process of meeting individually with budget managers across the partnership to help identify any further opportunities to reduce the projected overspend.</p>
2.12	<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 £0.15m. When the cost pressure value is known the partnership will look to services to fund from within existing resources where possible. It is anticipated that this will be paid in December. 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). At month 7 there are no GP practices in difficulty. <p>In addition to these pressures there is a potential reduction to the funding available for Ward 2 in Woodland View as East HSCP are reviewing the number of beds they want to commission from the ward. It is unlikely that this will be implemented during 2019-20 due to the limited notice given re the intent to reduce.</p>
2.13	<p>Budget Changes</p>
	<p>The Integration Scheme states that <i>“either party may increase it’s in year payment to the Integration Joint Board. Neither party may reduce the payment in-year to the Integration Joint Board nor Services managed on a Lead Partnership basis....without the express consent of the Integration Joint Board”</i>.</p> <p>Appendix E highlights the movement in the overall budget position for the partnership following the initial approved budget.</p> <p>Reduction Requiring Approval:</p> <ul style="list-style-type: none"> a) Transfer £0.010m to Communities for Youth Participatory Budgeting. <p>Future Planned Changes:</p> <p>Further areas which are outstanding and will be included in future reports include:</p> <ul 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

	<p>transferred to the partnership, but the due diligence undertaken on the budget has highlighted a funding shortfall. It has been agreed with NHS Ayrshire & Arran that the financial responsibility will not transfer until balance is found. In the meantime, we are managing services and working to reduce the projected overspend prior to any transfer.</p>
2.14	<p>Lead Partnerships</p>
	<p>North Ayrshire HSCP Services managed under Lead Partnership arrangements by North Ayrshire Health and Social Care Partnership are projected to be £0.361m overspent. Full detail on the underspend is given in section 2.4 above. This position is shared across the 3 partnerships on an NRAC allocation basis and is reflected in Appendix A.</p>
	<p>South Ayrshire HSCP Services hosted and/or led by the South Partnership are forecast to be £0.288m overspent (adverse movement of £0.063m). 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 and represents the majority of the overspend. It should be noted that expenditure is volatile depending on the timing of purchases. This issue is being discussed by SPOG.</p>
	<p>East Ayrshire HSCP Services managed under Lead Partnership arrangements by East Ayrshire Health and Social Care Partnership are projected to marginally overspent by £0.046m in total. This is a favourable movement on the month 4 projected overspend £0.288m. The overall Primary Care Lead Partnership marginal projected overspend is £0.006m (£0.266m at month 4) and this projected variance includes additional year-to-date payments within Primary Medical Services to GP practices currently experiencing difficulty (mainly practices that the NHS Board was administering due to previous GPs handing back contracts). The GP practices in difficulty issue is extremely fluid however negotiations with practices are completed with them returning to independent contractor status on 1 September 2019. Additional Ayrshire Urgent Care Services costs resulting from increased rates being paid to attract GPs over certain periods (which can prove challenging to fill without financial incentives). A non-recurring allocation of £0.370m has been included within the AUCS budget from the GP Out of Hours fund. This funding is not yet confirmed beyond 31 March 2020 and will potentially result in an additional financial pressure going forward.</p>
	<p>Further work is being taken forward to develop a framework to report the financial position and impact of risk sharing arrangements across the 3 partnerships in relation to hosted or lead service arrangements. This is to ensure the IJB are fully sighted on the impact for the North Ayrshire partnership. The IJB will be kept informed of progress with this work which is being progressed by the Ayrshire Partnership Finance Leads.</p> <p>At month 7 the impact of the Lead Partnerships has been calculated based on the average NRAC share which is the method that was used in previous years and has been agreed by the Ayrshire Finance Leads. The NRAC shares are: North 36.6%, South 30.5% and East 32.9%</p>
2.15	<p>Set Aside</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 £7.8m after 7 months.

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.

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. Currently however the funding for the ICR model is not able to be released from the acute set-aside budget due to service pressures and the overall overspend in acute services.

2.16 **National Position**

Across Scotland Integration Joint Boards are facing similar financial challenges, whilst there are different individual local circumstances there are similarities with the factors contributing to financial pressures. The total budget delegated for Health and Social Care services to IJBs across Scotland is £9.3bn. The most recent collated Q2 position for 2019-20 reports that 25 out of 31 IJBs are reporting an overspend position totalling £86.3m, the main areas contributing to this are delays in delivering planned savings and demographic service pressures or increase in demand for services. The overview report provided to the Scottish Government is included as Appendix F.

Key highlights include:

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

With the exception of prescribing costs which in North Ayrshire are underwritten by the Health Board, these are all pressures recognised for the North Ayrshire IJB. The partnership continue to actively engage in national networks, best practice forums and review examples of good practice and transformation from other areas.

3.	PROPOSALS
3.1	<u>Anticipated Outcomes</u>
	<p>Continuing to implement and monitor the financial recovery plan will allow the IJB to work towards financial balance for 2019-20 whilst ensuring these plans align with securing financial sustainability in future years, thereby limiting the financial risk the funding partners, i.e. NAC and NHS AA.</p> <p>The transformational change programme will have the greatest impact on the financial sustainability of the partnership, the IJB require to have a clear understanding of progress with plans and any actions that can be taken to bring the change programme into line.</p>
3.2	<u>Measuring Impact</u>
	Updates to the financial position 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 £243.575m there is a projected overspend of £2.524m (1.3%). The report outlines the action being taken and proposed action to reduce the projected overspend.</p> <p>There are a number of assumptions underpinning the projections which could change as we progress through the year. We will continue to work with services to ensure the most accurate and reliable position is reported.</p> <p>The financial recovery plan details planned actions to reduce the projected overspend, delivery of the plan is being closely monitored.</p> <p>The main areas of financial risk which may impact on this position are highlighted in the report.</p> <p>North Ayrshire Council hold £1.486m on behalf of the IJB to allow the repayment of the outstanding debt of £5.139m to the Council over future years. This resource is not currently included in the projected outturn position, at this stage with the rate of financial recovery is it unlikely that the IJB will be in the position to make the planned debt repayment for 2019-20.</p>
Human Resources:	None
Legal:	None
Equality:	None
Children and Young People	None
Environmental & Sustainability:	None
Key Priorities:	None

Risk Implications:	Within the projected outturn there are various over and underspends including the non-achievement of savings which need to be addressed on a recurring basis to ensure financial sustainability in future years. The Financial Recovery Plan is focussed on those areas which will help the current year financial position but also support ongoing future financial sustainability of the partnership.
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> <p>a) Note the projected year-end overspend of £2.524m; b) Note the changes in funding as detailed in section 2.12 and Appendix E; and c) Note the North Ayrshire IJB position in the context of the national financial position for Integration Authorities across Scotland.</p>

For more information please contact:

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Partnership Budget - Objective Summary	2019/20 Budget									Over/ (Under) Spend Variance at Period 6 £'000	Movement in projected budget variance from Period £'000
	Council			Health			TOTAL				
	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance	Budget	Outturn	Over/ (Under) Spend Variance		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
COMMUNITY CARE AND HEALTH	55,103	55,829	726	13,112	13,280	168	68,215	69,109	894	1,275	(381)
: Locality Services	25,454	25,616	162	4,561	4,435	(126)	30,015	30,051	36	140	(104)
: Community Care Service Delivery	26,081	27,164	1,083	0	0	0	26,081	27,164	1,083	1,356	(273)
: Rehabilitation and Reablement	1,765	1,548	(217)	1,946	2,043	97	3,711	3,591	(120)	(125)	5
: Long Term Conditions	1,443	1,167	(276)	4,595	4,807	212	6,038	5,974	(64)	(61)	(3)
: Integrated Island Services	360	334	(26)	2,010	1,995	(15)	2,370	2,329	(41)	(35)	(6)
MENTAL HEALTH SERVICES	24,246	25,500	1,254	51,876	51,930	54	76,122	77,430	1,308	860	448
: Learning Disabilities	18,427	19,727	1,300	511	428	(83)	18,938	20,155	1,217	977	240
: Community Mental Health	4,454	4,392	(62)	1,611	1,507	(104)	6,065	5,899	(166)	(43)	(123)
: Addictions	1,365	1,381	16	1,345	1,225	(120)	2,710	2,606	(104)	(110)	6
: Lead Partnership Mental Health NHS Area Wide	0	0	0	48,409	48,770	361	48,409	48,770	361	36	325
CHILDREN & JUSTICE SERVICES	32,061	33,278	1,217	3,610	3,653	43	35,671	36,931	1,260	1,415	(155)
: Intervention Services	3,786	3,843	57	325	368	43	4,111	4,211	100	46	54
: Looked After & Accomodated Children	16,325	17,339	1,014	0	0	0	16,325	17,339	1,014	1,278	(264)
: Fieldwork	4,713	4,838	125	0	0	0	4,713	4,838	125	120	5
: CCSF	322	288	(34)	0	0	0	322	288	(34)	(20)	(14)
: Criminal Justice	2,627	2,627	0	0	0	0	2,627	2,627	0	0	0
: Early Years	394	364	(30)	2,868	2,868	0	3,262	3,232	(30)	(48)	18
: Policy & Practice	3,894	3,979	85	0	0	0	3,894	3,979	85	40	45
: Lead Partnership NHS Children's Services Area Wide	0	0	0	417	417	0	417	417	0	(1)	1
PRIMARY CARE	0	0	0	47,170	47,170	0	47,170	47,170	0	0	0
ALLIED HEALTH PROFESSIONALS				5,131	5,062	(69)	5,131	5,062	(69)	(60)	(9)
MANAGEMENT AND SUPPORT COSTS	7,034	6,516	(518)	1,833	1,661	(172)	8,867	8,177	(690)	(635)	(55)
CHANGE PROGRAMME	1,025	953	(72)	964	964	0	1,989	1,917	(72)	(50)	(22)
TOTAL	119,469	122,076	2,607	123,696	123,720	24	243,165	245,796	2,631	2,805	(174)
Return Hosted Over/Underspends East	0	0	0		0	(119)			(119)	(12)	(107)
Return Hosted Over/Underspends South	0	0	0		0	(110)			(110)	(11)	(99)
Receive Hosted Over/Underspends South	0	0	0		0	105			105	82	23
Receive Hosted Over/Underspends East	0	0	0		0	17			17	105	(88)
REVISED PROJECTED OUTTURN	119,469	122,076	2,607	123,696	123,720	(83)	243,165	245,796	2,524	2,969	(445)

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
COMMUNITY CARE AND HEALTH	68,215	69,109	894	
Locality Services	30,015	30,051	36	<p>Older People permanent care homes - projected overspend of £0.089m 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 overspend of £0.105m on 65 packages. * Residential Packages - projected overspend of £0.012m based on 35 packages. * Community Packages (physical disability) - projected overspend of £0.148m based on 49 packages <p>NHS Packages of Care - projected underspend of £0.094m due to use of supplementary staffing offset by slippage in other packages.</p> <p>District Nursing - projected underpsnd of £0.055m due to vacancies.</p>
Community Care Service Delivery	26,081	27,164	1,083	<p>Care at home</p> <ul style="list-style-type: none"> - in house service - projected overspend of £0.240m 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 £0.290m. This is after reducing the budget by £0.500m to reflect the agreed 19-20 saving and assumes that the number of hours provided will reduce by 50 per week until the end of 19-20. It also assumes a refund from a provider in relation to an ongoing query on their costs. <p>Direct Payments - projected underspend of £0.042m based on 31 packages continuing until the year end.</p> <p>Transport costs - projected overspend of £0.072m due to increase in staff mileage within care at home.</p> <p>Admin costs - projected overspend of £0.091m mainly due to mobile phone equipment.</p> <p>Supplies and Services - projected overspend of £0.133m in relation to uniforms and other supplies.</p> <p>Voluntary Organisations - projected overspend £0.088m mainly in relation to the Alzheimer service.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Rehabilitation and Reablement	3,711	3,591	(120)	<p>Employee costs - projected underspend £0.157m due to vacancies.</p> <p>Intermediate Care and Rehab Models of Care - projected to overspend by £0.247m 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	6,038	5,974	(64)	<p>Ward 1 - projected overspend of £0.279m due to the use of supplementary staffing.</p> <p>Ward 2 - projected underspend of £0.010m assuming £0.504m of funding transfers from East HSCP in relation to Kirklandside patients.</p> <p>Elderly CMHT - underspend of £0.061m due to vacancies.</p> <p>Carers Act Funding - projected underspend of £0.268m based on the committed spend. This could fluctuate depending on the volume of carers' assessments undertaken and the level of demand/services identified from these assessments. This underspend will be used in the first instance to cover the projected overspend on care home respite placements.</p>
Integrated Island Services	2,370	2,329	(41)	Outwith the threshold for reporting
MENTAL HEALTH SERVICES	76,122	77,430	1,308	
Learning Disabilities	18,938	20,155	1,217	<p>Residential Packages- projected overspend of £0.355m based on 41 current packages.</p> <p>Community Packages (inc direct payments) - projected overspend of £0.947m based on 296 current packages less 3.75% invoice variances. The projection assumes savings of £0.490m will be achieved (£0.201m achieved to date) and that any new packages or increases to current packages will be cost neutral. The direct payments projection is based on 41 current packages with a net increase of 2 to the year end less £0.102m recovery of unspent balances.</p> <p>Employee costs - projected underspend £0.083m mainly due to vacant posts</p>
Community Mental Health	6,065	5,899	(166)	Employee costs - projected underspend £0.134m mainly due to vacant posts
Addictions	2,710	2,606	(104)	<p>Employee costs - projected underspend £0.120m due to vacant posts</p> <p>ADP - projected online position as any underspend will be carried forward into 2020/21.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Lead Partnership (MHS)	48,409	48,770	361	<p>Adult Community - projected underspend of £0.100m due to vacancies.</p> <p>Adult Inpatients- projected overspend of £0.620m due to a delay in closing the Lochranza wards.</p> <p>UNPACs - projected overspend of £0.399m 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 - projected overspend of £0.200m due to use of supplementary staffing after ward closures. This could fluctuate pending the finalisation of the elderly mental health bed redesign.</p> <p>Addictions - projected underspend of £0.025m due to vacancies.</p> <p>CAMHS - projected underspend of £0.228m due to vacancies.</p> <p>MH Admin - projected underspend of £0.155m due to vacancies..</p> <p>Psychiatry - projected overspend of £0.145m due the medical pay award and agency costs.</p> <p>MH Pharmacy - projected underspend of £0.132m mainly within substitute prescribing.</p> <p>Psychology- projected underspend of £0.253m due to vacancies.</p> <p>Action 15 - assumed online position</p>
CHILDREN'S AND JUSTICE SERVICES	35,671	36,931	1,260	
Intervention Services	4,111	4,211	100	<p>Employee costs - projected overspend £0.043m due to incremental drift.</p> <p>Third Party Payments - projected overspend in relation to advocacy and functional family therapy services.</p>

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
Looked After & Accom Children	16,325	17,339	1,014	<p>Looked After Children placements - projected overspend of £0.203m based on the following:-</p> <p>Kinship - projected overspend of £0.071m. Budget for 339 placements, currently 352 placement but projecting 356 placements by the year end.</p> <p>Adoption - projected overspend of £0.001m. Budget for 74 placements, currently 74 placements.</p> <p>Fostering - projected overspend of £0.218m. Budget for 120 placements, currently 138 placements</p> <p>Fostering Xtra - projected underspend of £0.064m. Budget for 32 placements, currently 31 placements but projecting 30 placements by the year end.</p> <p>Private fostering - projected overspend of £0.041m. Budget for 11 placements, currently 12 placements.</p> <p>IMPACCT carers - projected underspend of £0.016m. Budget for 4 placements, currently 2 placements.</p> <p>Residential School placements including community packages - projected overspend of £1.101m. 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 (inc 2 secure w3hich will end in January). The projection assumes 4 discharges in December with the remaining 16 assumed to be still in a placement at the year end. There is no provision for any increase in placements.</p>
Fieldwork	4,713	4,838	125	<p>Employee costs - projected overspend of £0.102m in relation to non achieved payroll turnover.</p> <p>Various minor overspends on transport and the out of hours service.</p>
CCSF	322	288	(34)	Outwith the threshold for reporting
Criminal Justice	2,627	2,627	0	Outwith the threshold for reporting
Early Years	3,262	3,232	(30)	Outwith the threshold for reporting
Policy & Practice	3,894	3,979	85	Employee costs - projected overspend £0.087m due to the payroll turnover target not being met.
Lead Partnership (CS)	417	417	0	Outwith the threshold for reporting

	Budget £000's	Outturn £000's	Over/ (Under) Spend Variance £000's	
PRIMARY CARE	47,170	47,170	0	Outwith the threshold for reporting
ALLIED HEALTH PROFESSIONALS	5,131	5,062	(69)	Employee costs - projected underspend £0.069m due to vacancies.
MANAGEMENT AND SUPPORT	8,867	8,177	(690)	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	1,989	1,917	(72)	Projected underspend - in employee costs due to vacancies and slippage in projects.
TOTAL	243,165	245,796	2,631	

Threshold for reporting is + or - £50,000

2019-20 Savings Tracker

Appendix C

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

	Children, Families and Justice Services					
SP-HSCP-19-03	Fostering - reduce external placements.	Mae Henderson	Green	127,408	Amber	127,408
SP-HSCP-19-08	Children's residential placements (CF)	Mae Henderson	Amber	355,000	Amber / Red	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	Amber	8,000
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

2,461,473

Ref	Service Area	Action	Service Impact	IJB Support	Included in P8 Position £000's	Planned Impact £ 000's	Responsible Officer
Health and Community Care:							
1	Care at Home	<p>Reduction in Care at Home Provision:</p> <ul style="list-style-type: none"> - reduce weekly hours of purchased provision by between 50 and 100 hours per week, by closing cases for clients admitted to hospital. - review care packages with any reduction in hours closed to offset the overspend. - continue to review the actions of Independent Providers in the use of CM2000 for maximum efficiency - further roll out and embedding of reablement approach in CAH service to allow packages to be reduced 	May lead to delays in care at home packages being delivered and may impact on hospital discharges and increase delayed discharges. May have impact on waiting list. Risk of this will be mitigated by ensuring resources are used efficiently, with a risk based approach to allocating resources.		225	200	Helen McArthur
2	Care Homes - Respite Placements	<p>Health and Community Care Service to enforce a policy and criteria in relation to emergency respite in commissioned care home settings:</p> <ul style="list-style-type: none"> - significant increase in emergency respite where in many cases residents are placed in long term care, action taken to fund long term placements in September - change of practice for social workers in relation to use of respite - provide clarity to commissioned care home providers that respite beds will be used for short term care to ensure expectations of service, care home and service user are aligned 	Action has been taken to address current placements to ensure the service delivered is equitable, that the HSCP are appropriately financially assessing residents and that the commissioned care homes are funded for long term care placements. The appropriate use of emergency respite placements will be reinforced to the social work team. The longer term commissioning and use of respite provision for older people is being considered as part of the Care Home Strategy.	√	0	-	Helen McArthur
3	Equipment & Adaptations	<p>Temporary reduction (2019-20 only) in the equipment and adaptations budget.</p> <ul style="list-style-type: none"> - mirrors the reduction made in 2018/19 to assist with overall financial position, would not be sustainable on a recurring basis as provision of equipment fundamental to keeping people safe at home - priority for equipment provision will be: <ol style="list-style-type: none"> 1. support for end of life care 2. complete adaptations started or committed to in writing prior to tightened control of expenditure 3. maintain equipment and adaptations in situ and on which service users depend 4. provide essential equipment to support avoidance of hospital admission 	Potential delays to equipment and adaptations for service users, this will be kept under review together with any waiting lists and impact on delivery of community based services, including monitoring the costs of any delays in supporting individuals to be supported in the community.		200	200	Helen McArthur

Ref	Service Area	Action	Service Impact	IJB Support	Included in P8 Position £000's	Planned Impact £ 000's	Responsible Officer
Mental Health and Learning Disabilities:							
4	Learning Disabilities	<p>Prioritised Review of Adult Community Packages:</p> <ul style="list-style-type: none"> - targeted reviews to be carried out immediately, reviews co-ordinated on a prioritised list with a focus on individuals moving service provider following the outcome of the tender exercise and with high cost packages being prioritised - will be supported with significant additional LD social work capacity with additional professional lead, additional social workers and the employment of agency staff to accelerate planned reviews - reviews will ensure the split of personal and non-personal care is appropriate and equitable (to ensure equity of provision and charging) - direct payments to be reviewed to progress claw-back of underspends - incorporates looking at clients where the service provided has been less than than commissioned to formalise re-alignment of care packages based on need. 	Service users will be reviewed by a dedicated review team, the outcome should ensure that all reviews are up to date and appropriate and equitable levels of care are being provided. This process may cause some anxiety for service users as there is an expectation that significant reductions can be made to care packages. No reduction will be made to care packages unless deemed to be safe and appropriate by the service, however there may be some resistance to change from service users, their families and advocates.	√	0	750	Thelma Bowers
5	Learning Disabilities	<p>Trindlemoss development finalise the financial impact of the new service (LD day service, complex care unit and supported accommodation):</p> <ul style="list-style-type: none"> - for 2019/20 require to plan to mitigate delay in savings being achieved - opportunities to further reduce cost of amalgamating day services - identifying supports required for service users in supported accommodation - policy in relation to eligibility and prioritisation for supported accommodation, model of care blueprint for other supported accommodation coming online 	The opening of the new service at Trindlemoss (originally planned August 2019) has been delayed due to delays in the building works, this has impacted on the timescales for service users and patients transferring. The service will require to be configured around the affordability of the care and support, taking into account the positive environment and the opportunities the shared accommodation space offers in terms of reducing existing high cost care packages.	√	0	tbc	Thelma Bowers
6	Learning Disabilities	<p>Sleepovers - develop policy in relation to 24 hour care for Adults in the Community:</p> <ul style="list-style-type: none"> - policy decision to not provide one to one 24 hour sleepover service where there are: <ul style="list-style-type: none"> * supported accommodation alternatives available; * opportunities for service users to share a service (will be identified by geographically mapping services); or * where technology supports can be provided supported by a responder service. - Recovery plan action and financial impact is based on a plan to deliver a responder service from the Trindlemoss supported accommodation to support removal of sleepovers in the area 	This will result in the removal of one to one 24 hour support from service users, an enhanced overnight service will be provided from Trindlemoss to support capacity for response. Individual service user safety will be a priority and the one to one support will only be removed where safe to do so.	√	0	128	Thelma Bowers
7	Learning Disabilities	<p>Transition Cases (Adults aged 65+):</p> <ul style="list-style-type: none"> - reviews undertaken jointly with LD and Older People's service which will deliver some savings, some work outstanding in relation to these reviews where changes to care packages have been identified - further action to scrutinise outcome of reviews and equity of service provision across client groups, particularly for high cost care packages which are not equitable with community care provided in Older People's services - requires a clear policy decision in relation to transitions of care and funding for community based supports <p><i>Note that there have been several reviews undertaken which indicate that savings will be made. These savings can be limited in some of the more complex care packages as care is required on a 24/7 basis.</i></p>	Service users are being reviewed with a view to reducing the cost of packages as the clients transition to the Older People's service. Some reviews for high cost community packages have identified individuals suitable for the criteria of long term care but resistance from service users to change from current care and support. If care packages cannot be reduced the IJB will be asked to agree a policy decision on the level of care provided in such cases.		0	134	

Ref	Service Area	Action	Service Impact	IJB Support	Included in P8 Position £000's	Planned Impact £ 000's	Responsible Officer
8	Adult Community Packages	<p>Adult Resource Group no overall increase in care package provision:</p> <ul style="list-style-type: none"> - ARG in place for Mental Health and Learning Disability care packages for approval, ARG will no longer be permitted to approve any increase to existing or new care packages unless there has been a reduction in service elsewhere - will require social workers to proactively review caseload and use finite resource available to support whole client group - arrangements will remain in place until the service brings the overall expenditure on community care packages back into line 	Service users assessed as requiring a service will have to wait until resource has been identified to fund the care package, this is equitable with waiting lists for other services where resources are limited. This may result in delays in supports being provided but will also ensure that the service is managing, directing and prioritising resources effectively.	√	0		Thelma Bowers
9	All	<p>Self Directed Support:</p> <ul style="list-style-type: none"> - exploring how to embed this alongside the asset based approach promoted through the HSCP <i>Thinking Different, Doing Better</i> experience into services to change how we deliver services and balance service user and community expectations - undertaking self-evaluation for North Ayrshire against good practice, this will include stakeholder engagement to develop future approach 	Positive impact to embed Self Directed Support, with a view to being realistic in managing expectations of services and service users. Address a perceived inequity in how services are delivered and how embedded SDS is across social care services.	√	0	-	Stephen Brown
Children and Families:							
10	Looked After and Accomodated Children	<p>Children's External Residential Placements bring forward planned discharge dates:</p> <ul style="list-style-type: none"> - overspend due to delays in bringing children back from expensive external residential placements due to timescales slipping, recovery action based on pulling forward all estimated timescales by one month and moving to planned level of 14 placements by March 2020 - scrutiny of detailed plans for individual children, to be reviewed alongside the internal children's houses to free up capacity to bring children back to NA sooner - close working with Education services as shared ambition and requirements to provide educational supports within NA - formalise and reinforce governance arrangements for approval of new external children's placements 	Transformation plan to support more looked after children in North Ayrshire is focussed on delivering more positive outcomes for Children. Accelerating plans to move children to different care settings is challenging for the service as these are sensitive complex cases.		286	200	Alison Sutherland

Ref	Service Area	Action	Service Impact	IJB Support	Included in P8 Position £000's	Planned Impact £ 000's	Responsible Officer
Other:							
11	All	Recruitment freeze non-front line posts: - hold recruitment to all vacant non-front line care posts, eg support services, admin support - partnership vacancy scrutiny group remains in place and will ensure posts are not approved for recruitment until the new financial year	Minimal impact on front line services but depending on where vacancies arise during the rest of the year could have an impact on the capacity of support services, in particular to respond to service requests. The HSCP vacancy scrutiny group will ensure consideration is given to the impact on services when recruitment is delayed for individual posts.		0	200	Caroline Whyte
12	All	Moratorium non-essential expenditure: - communication issued to all budget holders (social care and health) with an instruction to delay or cease any areas of discretionary spend (areas including supplies and services, training, third party payments etc) - finance teams will liaise with budget holders as part of regular engagement and budgets will be removed non-recurringly to allow target reduction to be met	Minimal impact on front line services but is a short term one-off approach to reducing expenditure.			184	Caroline Whyte
13	All	Systems improvements re care packages: - Extension of CM2000 to adult services which will enable payment to care providers based on actual service delivered, being rolled out to some providers in advance of new tender - finance working with services to review areas where service delivered differs from that commissioned to improve systems and basis of financial projections, this work also supports ongoing reviews - action plan in relation to improving projections and actions identified from recent internal audit report re Community Based Care, including streamlining systems and processes to remove duplication, scope for error and reliability of information	Significant work required to review systems across social care services where different approaches are used for different service areas, some areas involve duplication of information and systems. Work will result in more assurance re the information reported, including financial projections and will also ensure the partnership has assurance that we only pay for the direct care delivered.		0	-	Thelma Bowers/ Helen McArthur/ Caroline Whyte
TOTAL						711	1,996

2019-20 Budget Reconciliation

Appendix E

COUNCIL	Period	Permanent or Temporary	£
Initial Approved Budget			95,067
Resource Transfer			23,112
ICF Procurement Posts - Transfer to Procurement	3	T	(85)
FPC under 65's Scottish Government Funding	3	P	702
Transfer to IT WAN circuit Kilwinning Academy	4	P	(3)
Waste Collection Budget	4	P	27
CLD Officer from ADP Budget to E & C	4	T	(31)
Transfer £10k to Communities for Youth PB	7	T	(10)
Challenge Fund Drawdown from Earmarked Funds	7	T	690
Period 8 reported budget			119,469

HEALTH	Period	Permanent or Temporary	£
Initial Approved Budget (based on month 9 of 2018-19)			145,425
Adjustments to reflect month 10 -12 of 2018-19 including non-recurring amounts			(1,845)
Opening baseline budget for 19-20			143,580
Resource Transfer			(23,112)
Superannuation Uplift	3	P	2,994
Voluntary Redundancy Scheme	3	P	271
Post from acute - PA to Clinical Nurse Manager, Long Term conditions	3	P	15
Post from acute - Clinical Nurse Manager, Long Term Conditions	3	P	34
Functional Electrical Stimulation Equipment from acute			10
Pharmacy Fees	3	P	19
HPV Boys Implementation	3	P	18
Action 15 (anticipated increase)	3	P	930
Post from Acute -Specialist Pharmacist in Substance Misuse	3	T	12
Old age liaison psychiatrist from acute	3	P	108
Patient Transport Service	3	P	49
Infant feeding nurse	3	T	41
Assoc Medical Director responsibility payment to Medical Director	3	T	(24)
Associate Medical Director sessions to the Medical Director	3	T	(71)
Contribution to the Technology Enabled Care (TEC) project	3	T	(50)
Superannuation Uplift Overclaimed	4	P	(270)
Action 15 overclaimed	4	T	(485)
Prescribing Reduction	5	P	(550)
Medical Training Grade Increase	5	P	51
Admin Transfer from South HSCP	6	P	19
NMAHP Clinical Lead	6	T	16
Woodland View – Hairdressing transfer from South			12
SLA Superannuation uplift			79
Period 8 reported budget			123,696
GRAND TOTAL			243,165

CIPFA IJB CFO Section

Integration Authorities

Financial Performance

Financial Year 2019/20 (Quarter 2)



OVERVIEW - BUDGET POSITION 2019/20

This is the second summary report which presents the overview of financial performance for all Integration Authorities (IA's) for quarter 2 of the financial year 2019/20. The position in respect of the NHS Highland Lead Agency arrangement is also included. The total budget for health and social care services at quarter 2 is £9,349m. This is an increase of £112m (1%) from £9,237m at quarter 1 as follows:

- 26 IAs reported an increase of £3.8m in the set-aside budget which now totals £816m.
- The NHS non-set aside budget increased by £99m to £5,708m.
- The local authority budget increased by £2.5m to £2,789m.
- The use of reserves increased by £7m to £36m.



FINANCIAL VARIANCES 2019/20 – YEAR-END OUTTURN AND YEAR TO DATE

IAs have different reporting approaches. At this stage of the financial year, 28 IAs report projected outturns for the year-end and 3 IAs report year to date (second quarter) positions.

Of the 28 IAs, representing £8,117m of the total budget, a year end overspend of £66.4m is projected. Projected outturns across these IAs vary as follows:

- 23 IAs are projecting overspends totalling £82.9m
- 1 IA is projecting a break-even position
- 4 IAs are projecting underspends totalling £16.5m

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

Year-end Projected Outturns

- £41m non delivery of savings
 - £15m demographics
 - £10m staffing pressures
 - £7m prescribing
 - £3m price increases
 - £6.9m other net cost pressures
- Projected cost pressures - £82.9m

Year to Date Cost Pressures - £2.8m

- Demographics (£2.8m), staffing pressures (£2.2m) and non delivery of savings (£0.6m)
- Net underspends (£2.8m)

Of the 3 IAs, representing £1,233m of the total budget, a year to date overspend of £2.8m is reported at the end of quarter 2. The year to date positions across these IAs vary as follows:

- 2 IAs are reporting overspends totalling £3.4m
- 1 IA is reporting an underspend of £0.6m



SIGNIFICANT FACTORS 2019/20

The factors contributing to the variances reported by IAs are detailed on the schedule which accompanies this covering report.

The key highlights, which were reported at quarter 1, remain relevant and are summarised as follows:

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

As part of their financial strategies, 14 IAs are relying on the planned use of reserves totalling £36m at this stage of the financial year. As reported previously, the increase in costs is partly offset by underspends as a result of staff vacancies and slippage in the implementation of new funding. Both of these provide non-recurring financial relief.

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



IMPACT ON FUNDING 2019/20

It is currently estimated that the projected overspend totalling £69.2m will be addressed as follows:-

- | | |
|--|--------|
| ▪ Anticipated additional funding from NHS Boards | £28.8m |
| ▪ Anticipated additional funding from Local Authorities | £6.8m |
| ▪ Agreed financial recovery plan with no impact for partners | £12.8m |

The funding impact of £20.8m remains 'not yet determined' or has still to be publicly reported in respect of 12 IAs.

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

Repayment of Funding Advances

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



UPDATE ON RESERVES

The IA's reserves have reduced by £3.2m at quarter 2 to £110m (Earmarked £77m; Contingency £33m). The contingency reserve continues to represent 0.4% of the total financial envelope of £9,349m. 8 IAs do not have a reserve. 5 IAs do not have a contingency reserve. 2 IAs have a negative reserve. For 16 IAs, the contingency reserves range from 0.03% to 3.8% of their available funding.



FUTURE REPORTS

IA's will continue to standardise presentation.