

South Ayrshire Health and Social Care Partnership

REPORT

Meeting of South Ayrshire Health and Social Care Partnership	Integration Joint Board
Held on	23rd June 2021
Agenda Item	7
Title	Financial Outturn 2020-21 to 31st March 21
Summary: The purpose of this report is to advise the Integration Joint Board of the year end outturn for the financial year 2020-21.	
Presented by	Lisa Duncan, Chief Finance Officer
Action required: It is recommended that the Integration Joint Board: <ol style="list-style-type: none"> i. Note the financial outturn to 31st of March 2021; ii. Note the IJB Reserves position as at 31st of March 2021; iii. Approve Reserves to be earmarked; iv. Note proposals in respect of unallocated reserves; v. Note the outturn in relation to Lead Partnership services; vi. Note the outturn within the Acute Services budget and Set Aside budgets; vii. Note the progress made towards savings; viii. Note the Covid-19 financial outturn to 31st of March 2021; and ix. Note the key financial issues and risks for the IJB. 	

Implications checklist – check box if applicable and include detail in report									
Financial	<input checked="" type="checkbox"/>	HR	<input type="checkbox"/>	Legal	<input type="checkbox"/>	Equalities	<input type="checkbox"/>	Sustainability	<input type="checkbox"/>
Policy	<input type="checkbox"/>	ICT	<input type="checkbox"/>						

Directions required to NHS Ayrshire & Arran South Ayrshire Council, or both	1. No Direction Required	<input type="checkbox"/>
	2. Direction to NHS Ayrshire and Arran	<input type="checkbox"/>
	3. Direction to South Ayrshire Council	<input type="checkbox"/>
	4. Direction to NHS Ayrshire and Arran and South Ayrshire Council	<input type="checkbox"/>

Report by Chief Finance Officer

Financial Outturn 2020-21

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to advise the IJB of the actual financial position for the financial year as at 31st of March 2021. The report will also provide an update on the financial costs in the period in responding to the Covid-19 pandemic, progress made against savings approved within the IJB budget for 2020-21, movements on the annual approved budget for 2020-21 and reserves balances at year end.

2. RECOMMENDATION

2.1 It is recommended that the Integration Joint Board;

- i. **Note the financial outturn to 31st of March 2021;**
- ii. **Note the IJB Reserves position as at 31st of March 2021;**
- iii. **Approve Reserves to be earmarked;**
- iv. **Note proposals in respect of unallocated reserves;**
- v. **Note the outturn in relation to Lead Partnership services;**
- vi. **Note the outturn within the Acute Services budget and Set Aside budgets;**
- vii. **Note the progress made towards savings;**
- viii. **Note the Covid-19 financial outturn to 31st of March 2021; and**
- ix. **Note the key financial issues and risks for the IJB.**

3. BACKGROUND INFORMATION

- 3.1 The report provides an overview of the financial position for the partnership and outlines the unaudited year-end position for 2020-21. The year end outturn is an overall underspend of £10.205m. This includes the partnerships' share of the Lead Partnership underspends and additional Covid-19 funding allocations, to be earmarked for use in 2021-22. The final outturn is broken down as follows:

- Social care services delivered by South Ayrshire Council are underspent by £8.128m, of this balance £5m to be earmarked for specific purposes as detailed in Section 4.6;
- Managed services delivered by NHS Ayrshire and Arran are underspent by £0.550m and
- Lead Partnership arrangements are underspent of £1.527m, this includes our share of East and North Health and Social Care underspend combined with their contribution to our lead partnership services overspend. Earmarking of £0.936m is required for Action 15 and Primary Care Improvement Fund as detailed in Section 4.6

- 3.2 Favourable movement from period 9 of £7.450m mainly due to:-

- Additional Covid funding of £5.467m was received during the period, bringing our total allocation to £12.347m. To meet the costs included in the Local Mobilisation Plan for this financial year and costs continuing into 2021-22.
- Lead partnership's underspent by £0.902m more than previously projected.
- Children and families £0.463 favourable movement due to underspends in travel, supplies and care packages expected to commence in January but due to the pandemic and second lockdown this did not materialise.
- Mental Health services £0.374m favourable due to Covid funding allocation to meet the unachieved savings within Learning Disability community packages.

4. FINANCIAL COMMENTARY

- 4.01 The integrated budget for 2020-21 is £257.850m, with an underspend of £10.205m. The underspend this year is mainly as a result of additional funding received from Scottish Government to meet the ongoing costs in the recovery and renewal activities following the Covid pandemic. Some operational activities were paused in year as a result of the pandemic and funding will be required in new financial year as services restart.
- 4.02 The services delivered through South Ayrshire Council are £8.128m underspent and those delivered through NHS Ayrshire and Arran are £0.0550m underspent and services provided through lead partnership arrangements are £1.527m underspent.
- 4.03 Appendix A provides the financial position for the partnership and highlights the variances in service expenditure. Appendix B provides detail per partner.
- 4.04 The following sections will provide an overview of the financial outturn based on the operational activity during the year and additional funding allocations. An explanation of budget movements in year along with reserves balances seeking approval. Progress on savings to be achieved, and a summary of Covid-19 financial impact and the associated financial risks.

4.1 Community Health and Care – underspend of £1.062m

- 4.1.1 Against a full year budget of £63.728m, there is an underspend of £1.062m (1.67%). Favourable movement from period 9 of £0.275m. The main reasons for the underspend are:
- 4.1.2 **Older People Residential Care Home Placements** are underspent by £0.362m, due to underoccupancy. The current budget can afford 878 placements, at the end of the year there were 815 placements filled. Appendix E charts the trend in care home placements since Jan 2020.
- 4.1.3 **Care Home Respite Placements** are underspent by £0.151m due to underoccupancy during the year.

- 4.1.4 **Allied Health Professionals** – are underspent by £0.341m, due to staff vacancies for part of the year. Recruitment of all vacancies was completed at end of the financial year expectation for 2021-22 is the service will be fully established.
- 4.1.5 **Reablement Care at Home Service** underspent by £0.869m, investment of £0.415m was approved in the budget and further investment of £0.590m from care home budget to increase capacity within the reablement team during the year. This investment of £1.005m represents full year budget. This investment is crucial to supporting delayed discharges and optimising people's independence. Taking forward the recruitment at the outset of the pandemic was paused as care at home services including reablement staff focused on providing care in the community. The new Reablement Lead came into post during October and posts went out to advert in December. The full team compliment was not in place at the end of year due to time taken to carryout safe recruitment checks, at the end of the year 37% of the posts were filled. With the remainder to be recruited to in 2021-22.
- 4.1.6 **Mainstream Care at Home Service** underspent by £0.213m due to efficiencies realised from use of CM2000 for scheduling care visits and optimising the rota allocations, reduction in overtime and staff turnover. Eleven vacant posts filled in April 2021.
- 4.1.7 **Direct Payments and Individual Service Funds** underspent by £0.170m due to a pause in service delivery for some service users due to social distancing rules impacting on social activities.
- 4.1.8 **Older People Day Care Services** underspent by £0.108m, services have been paused due to the social distancing restrictions. Service users are being supported by garden visits and one to one contact from support workers providing meals that they would have received at day care.
- 4.1.9 **Intermediate Care and Rehab** – underspent by £0.150m, due to slippage in filling staff vacancies as a result of holding vacancies last year.
- 4.1.10 The above underspends in Community Care have been offset with overspends in the following services:-
- 4.1.11 **Biggart Hospital** – overspend of £0.527m, the overspend represents the costs associated with 71 beds. An additional 12 beds in the hospital were commissioned to provide capacity in responding to Covid the costs of these were included in the local mobilisation plan. The overspend of £0.527m is due to:
- (1) a recurring overspend related to additional bank staff required £0.471m, to support the current staffing establishment in meeting the enhanced nursing care needs of patients. This is reflected in the current staffing establishment of 15.26FTE greater than the budgeted establishment and

(2) £0.056m overspend in non-pay costs related to the purchase of replacement beds and mattresses as originals were in state of disrepair and aged.

4.1.12 Following the appointment of Service Leads within Reablement and Maintenance Home Care, the Reablement Redesign and Service Review of Home Care have been established with a Programme Board in place to oversee the model of delivery for the future with the aim of reducing delayed discharges and optimising patient care. Cost and efficiencies factored into the budget setting process for 2021-22.

4.1.13 **Community Nursing** – overspent by £0.174m adults packages of care now ceased £0.055m incurred in staff costs this year prior to staff being redeployed. Within community nursing £0.120m of costs were incurred to provide backfill to cover 3.2 WTE maternity leaves.

4.1.14 **Care at Home Purchased** – overspent by £0.418m, hours purchased exceeded the budget and additional covid funding allocation. Increase in purchasing care at home is essential to maintain service users at home safely and reduce delayed discharges.

4.1.15 **Income** – a shortfall of £0.133m in income mainly due to implementation of day care charging that has been paused this year and shortfall in income from residential charging.

4.2 Children and Justice Services – underspent by £1.362m

4.2.1 Against a full year budget of £24.431m, there is an underspend of £1.362m (5.57%), favourable movement of £0.463m the main reasons for the projected underspend are:

4.2.2 **Staff Travel and Office Supplies and Services** – underspent by £0.377m, mainly due to staff working from home and meetings with families carried out virtually where possible.

4.2.3 **Residential Outwith Authority Placements** – underspent by £0.324m, at the end of the year there were 63 placements, a reduction of 11 placements during the year, resulting in savings for 2021-22 being achieved. Appendix E shows the trend in this year placements to date and budgeted placements for 2021-22.

4.2.4 **Young People's Transition Services** – underspent by £0.082m mainly due to less care leavers than budgeted and income received from other local authorities for young people accommodated in South Ayrshire.

4.2.5 **Children with Disabilities care packages** – underspent by £0.356m due to reduction in transport costs, day care and college supports due to pandemic restrictions. Also, during the year three young adults transitioned to adult services.

- 4.2.6 **Health Visiting** – underspent by £0.117m, partially due to vacancies and less than expected spend in travel costs due to reduced visits to date.
- 4.2.7 The Scottish Government offered a grant for “Winter Plan for Social Protection - funding for vulnerable children and young people” in December, with a total of £0.509m available to 31st of March 2021, to provide support for residential care costs, additional expenditure associated with Children’s Hearing workload and a fund to support vulnerable children and their families. This funding has been invaluable in providing additional support and services to those most in need.
- 4.2.8 Additional grant funding of £0.212m has been awarded for costs incurred to the 31st of March 2021 to support “Mental Health and Emotional Wellbeing Services for Children and Young People and their families impacted by the Covid-19 pandemic”. Working alongside educational services this fund will be used to provide the necessary support to meet those needs. To date £0.012m has been spent on an online app to provide support, the balance will be earmarked into 2021-22 to commission other services.

4.3 Mental Health Services – underspent by £0.275m

- 4.3.1 Against a full year budget of £29.147m, there was an underspend of £0.275m (0.94%), favourable movement of £0.374m due to non-recurring allocation of Covid funding to meet the unachieved savings within learning disabilities. The main reasons for the overall underspend are:-
- 4.3.2 **Learning Disabilities Community Care Packages** (including Individual Service Funds and Direct Payments) – underspent by £0.090m, budget of £15.057m with a spend of £14.385m. Included in this underspend, is one-off funding of £0.325m allocated in year from Covid local mobilisation return to meet the savings approved but were not able to be achieved due to the pandemic. Savings plans will be developed in 2021-22 to ensure target is met next financial year.
- 4.3.3 **Resource Transfer Income** – income of £0.131m received from North Health and Social Care Partnership for three Arrol Park discharges. Two discharges were transferred to Girvan Core and Cluster last year and included in community care package projection and the other service users was transferred to a residential placement out with South Ayrshire.
- 4.3.4 Progress has been made in transferring the remaining service users from Lochranza, this has resulted in additional beds being recommissioned on the 3rd floor of South Lodge to support 4 service users, one to be funded from East Ayrshire Health and Social Care Partnership and resource transfer from North Ayrshire Health and Social Care Partnership to fund the remaining three. The resource transfer will meet the additional costs of support.
- 4.3.5 **Mental Health Community Care Packages** (including Individual Service Funds and Direct Payments) - underspent by £0.180m, budget of £1.733m cost of current care packages £1.553m.

4.3.6 **Health Learning Disability Team** – underspent by £0.054m mainly due to slippage in recruitment. vacant posts, underspend compares with prior full year underspend of £0.133m.

4.3.7 *The above underspends are offset with overspends in the following services:*

4.3.8 **Learning Disability Elba Gardens** – overspent by £0.253m based on part year cost of the service £0.084m and £0.169m of efficiencies not achieved. The development at Elba Gardens has identified mainly younger adults who are currently living with parents to move into the supported accommodation. Currently these younger adults do not have a high cost care package, therefore no immediate savings realised. However, this model of care is avoiding the cost impact of providing higher levels of care in the future, and enabling the younger adults to live independently.

4.3.9 **Learning Disabilities Residential Care Packages including respite** – overspent by £0.072m, due to a transfer of young adults from children services.

4.3.10 **Mental Health Residential Care Packages including respite** – overspent by £0.082m, due to additional admissions in year and increase in respite care provision.

4.4 Support Services underspent by £1.812m

4.4.1 Within the Council there is an underspend of £1.310m, due to Community Living Funding of £0.410m received from the Scottish Government to be earmarked for future years, payroll management target exceeded by £0.633m due to increase in staff turnover all essential vacant posts were advertised for recruitment. Carefirst Team underspent by £0.060m and £0.187m underspent in training delayed as a result of the pandemic. Requests for earmarking specific underspends are included in Section 4.6.

4.4.2 Within Health there is an underspend of £0.502m, favourable movement of £0.230m due to inclusion of reserves balance £0.260m allocated in budget 2020-21 for anticipated Lead Partnership pressures that did not materialise. This reserves balance has been utilised in 2021-22 budget to support new pressures. Balance of underspend mainly due to staff vacancies within business support.

4.5 Hosted Services overspend of £0.011m

4.5.1 The Continence Team have overspent by £0.044m due to an increase in purchase of supplies and 0.5WTE additional to establishment in team to meet with demand. A review of this service will be undertaken in 2021-22 to understand increase in demand and assess how to mitigate the financial pressure with new ways of working.

4.5.2 Family nurse partnership underspent by £0.021m, this was due to slippage in filling the school student nurse posts with the additional funding provided by Scottish Government.

4.6 IJB Reserves Balance

4.6.1 In the IJB annual accounts for 2019-20 the reserves balance of £0.411m was brought forward in relation to specific Scottish Government funding for Alcohol and Drugs Partnership £0.169m, Primary Care Improvement Fund £0.089m and Mental Health Action 15 £0.153m. Returns were submitted to the Scottish Government detailing spending plans for each of these funding streams. The earmarked funds were utilised first before any additional funds were released. The balances remaining this year will be earmarked and used for their intended purposes in 2021-22, subject to approval by the Council's Leadership Panel.

4.6.2 As noted earlier there is an overall underspend of £10.205m in the partnership budget. This has resulted from change in operational activity as a result of the pandemic and additional funding received from the Scottish Government in recognition that the financial impact of Covid response will continue into 2021-22. A request will be made to the Council's Leadership Panel on the 15th of June 2021 to carry forward reserves of £9.269m as part of their annual accounts process. The £9.269m is the Council's underspend and the NHS underspend (excluding lead partnership underspend) as shown in table below.

Council Reserves	£'000s
Council Underspend	8,128
NHS Underspend (excluding PCIF and Action 15)	1,141
Total Reserve	9,269

4.6.3 The table below details the reserves balances for approval to be earmarked and the remaining uncommitted reserves of £3.129m on Council side and £0.722m on the NHS side to be utilised in the first instance to mitigate against any financial challenges in 2021-22 and invested in activities required to achieve financial balance including transformation. Proposals for the use of uncommitted reserves are included in a separate report for IJB approval.

4.6.4 The notes following the table provide detail on the source of the earmarked balance and the specific use of this funding.

2020-21 Financial Outturn	Council	NHS	TOTAL
	£'000's Under(Over)	£'000's Under(Over)	£'000's Under(Over)
Earmarked Reserves	8,128	2,077	10,205
Primary Care Improvement Fund		732	732
Action 15		204	204
ADP	42		42
Covid 19 (LMP 3)	3,638	235	3,873
Covid 19 (C & F MH and WB)	200		200
Community Living Fund	410		410
Approved Feb 21 Earmarked	587		587
TOTAL EARMARKED	4,876	1,171	6,048
Earmarked to be approved	123	184	307
Uncommitted Reserves			
Uncommitted Reserves	3,129	722	3,851
Total Reserves	8,128	2,077	10,205

Note 1- Primary Care Improvement Fund (PCIF) is led by East Ayrshire Partnership the reserve balance represents our share of the year end underspend and will be passed back to East Ayrshire to manage in the new financial year. The actions in the plan have been developed and agreed collaboratively with the three Ayrshire's, NHS and GP Practices. The reserve will be utilised to further implement the plan and use learnings to date to develop a PCIF 3 for 2021-23.

Note 2 - Action 15 is led by North Ayrshire Partnership and the reserve balance represents our share of the year end underspend and will be passed back to North Ayrshire to manage in the new financial year.

Note 3 – Alcohol and Drugs Partnership received investment of £0.042m to be focussed on making improvements in access support to reduce drugs deaths.

Note 4 – Local Mobilisation Plan 3 details the projected costs associated with the recovery and renewal from the pandemic in 2021-22 current projection is £3.946m based on specific set of circumstances and policies. The plan was submitted to Scottish Government in February 2021 and has been reviewed and approved. During the financial year 2021-22 the plan will be updated with actual and projected spend based on our recovery response activities and any policy changes. This reserve will be used for this purpose.

Note 5 – The Scottish Government awarded a grant for “Mental Health and Emotional Wellbeing Services for Children and Young People and their families impacted by the Covid-19 pandemic”. The funding will be held in reserves to commission and develop support and services to meet the criteria set out in the grant.

Note 6 - Community Living Fund is an allocation of new non-recurring funding to used over a three year period (2021-2024). The fund is to be used to reduce delayed discharges for people with complex needs, repatriate those people inappropriately placed outside of Scotland and redesign the way services are provided for people with complex needs.

Note 7 – Reserves previously approved by the IJB in February 21 for specific items of expenditure that were paused due to the pandemic, but will be required as business returns to normal.

Note 8 – Approval requested to earmark reserves below in relation to underspent balances identified at year end as required to be earmarked next year to meet costs that will be incurred as services resume activity.

Earmarked Reserves for Approval	£'000	Description of Reserve
Fostering - Advertising for Carers	10	Advertising for specific purposes to recruit carers who have experience in dealing with specific health problems
Whole System Whole Family Staffing	57	In year delay in project implementation and recruitment of staff
Addictions Team	12	Underspend to be carried forward to met costs in additioanl demand as services start to reopen
SDS Staffing - RAS development	20	Remaining budget to be used to extend staff support for RAS
ERT Admin temp resource	24	Funding for an admin to support ERT Team
School Student Nurse Funding	184	SG Funding allocated in year to be carried forward for recruitment in 21-22
TOTAL	307	

Note 9 – Uncommitted balances of £3.851m can be used for specific purposes as noted in the Reserves Strategy. Funds are set aside to deal with unexpected events and emergencies, otherwise known as financial planning or unearmarked reserve, held to meet:

- Cost of potential commitments that may occur in the short to medium term
- To fund capacity within service priorities as set out in the Strategic Plan

4.7 Lead Partnerships underspent of £1.527m

4.7.1 The table below highlights each lead share of allocated underspends and overspends with lead partnership arrangements and basis for allocation. Primary Care Improvement Fund and Action 15 are allocated on an actual spend basis with funds to be earmarked for use in 2021-22.

Host IJB	Underspend/ (Overspend) Hosted Services 20/21 £'000	East Ayrshire NRAC Share £'000	North Ayrshire NRAC Share £'000	South Ayrshire NRAC Share £'000	Allocation Basis
East Ayrshire	1,193	418	430	346	Prescribing NRAC - East 35%, North 36%, South 29%
Primary Care Improvement Fund	2,939	1272	935	732	Based on Actuals
North Ayrshire	779	255	285	238	Mental Health NRAC - East 32.8%, North 36.6%, South 30.6%
Action 15	655	227	224	204	Based on Actuals
South Ayrshire	(11)	(4)	(4)	(3)	Community NRAC - East 32.7%, North 36.7%, South 30.6%
TOTAL	5,556	2,169	1,869	1,517	

4.7.2 **East Ayrshire Health and Social Care Partnership** lead on Primary Care services, at end of year there is an underspend of £3.986m, including the pan-Ayrshire £2.939m Primary Care Improvement Fund underspend. The main underspends are due to:

- This includes reduced costs in Dental Services where there have been a number of services cancelled in 2020-21 but which have recommenced in the final quarter with an anticipated increase in staffing costs going forward.
- In addition, work has been undertaken to update cross charging of Ayrshire Urgent Care Services (AUCS) costs related to the Covid-19 pandemic against the Local Mobilisation Plan in line with GP activity over the course of 2020-21.
Increased staff turnover savings have been realised for Ayrshire Urgent Care Service, with posts recruited in the final quarter of the financial year.
- The Primary Care Improvement Fund has outturned below budget by £2.939m overall. Underspend to be carried forward in all Ayrshire IJB Reserves based on allocated share of underspend.
- The Prison and Police Healthcare underspent by £0.208m, is after taking account of an IJB Reserve (earmarking) adjustment in respect of East Ayrshire's share of SARC (rape or sexual assault support) funding. This outturn position is largely due to net staffing savings and takes account of drugs costs initially charged to the prison which have been correctly charged against Covid-19.

4.7.3 **North Ayrshire Health and Social Care Partnership** lead on Mental Health Services, underspent by £1.434m. The main underspends are due to:

- Hosted immunisation and nursing service £0.059m underspend due to staff turnover.

Lead Mental Health Services were underspent by £1.375m due to:

- An overspend in Adult Inpatients of £0.809m. This is due to the delay in closing the Lochranza ward on the Ailsa site. The ward closed during August 2020 but there remain staff to be re-deployed, the overspend may reduce if alternatives can be identified for displaced staff sooner. There is also a higher use of supplementary staffing due to enhanced observations.
- Elderly Inpatients – an underspend of £0.175m in Elderly Inpatients due to the completion of the work to reconfigure the Elderly Mental wards, this represents the part-year saving. The workforce tool for the wards has been rerun to determine the final staffing which will require to be considered alongside the remaining staff on re-deployment
- UNPACS is overspent by £0.509m based on current placements. There was an increased charge for Rowanbank under the service level agreement with Glasgow Health Board, an increased charge for the General Psychiatry service level agreement and backdated charges for an Orchard Clinic patient.
- An underspend in mental health pharmacy of £0.160m due to continued lower substitute prescribing costs.
- Action 15 £0.655m underspend to be carried forward in all Ayrshire IJB reserves based on allocated share of underspend.
- Innovation Fund – underspent by £0.181m due to delays in some projects.
- Daldorch Income – under recovered by £0.107m as we were unable to charge other boards for placements from January 2021 due to the change in the nature of the service.
- The turnover target of £0.400m for vacancy savings is held within the Lead Partnership as this is a Pan-Ayrshire target. There is an over-recovery of the vacancy savings target of £1.281m in 2020-21. This is due to some services finding it difficult to attract and recruit staff often due to the temporary nature of funding. During 2020-21 posts were advertised on a permanent basis to maximise the chances of filling vacancies. Vacancies in following services contributing to this over achievement noted below:
 - Adult Community Health services £0.230m
 - Addictions £0.012m
 - CAMHS £0.211m
 - Mental Health Admin £0.329m
 - Psychiatry £0.400m
 - Psychology £0.410m
 - Associate Nurse Director £0.089m

4.7.4 **South Ayrshire Health and Social Care Partnership** lead on the community equipment store, family nurse partnership and the continence team. Included in the partnership managed budget is an overspend of £0.011m. Our share of this is £0.003m with the balance £0.008m received from the other Partnerships, reflected in the Recharges to other Partnerships line in the IJB financial report on Appendix A.

4.8 Acute Hospitals

4.8.1 The 2020-21 annual budget for Acute Services is £356m, which includes areas covered in the set aside budget, was underspent by £12.2m at the end of the financial year. This is a result of savings which accrued following reduction in Outpatient and Inpatient elective activity. A major factor in the underspend was the decision by Scottish Government not to offset savings when allocating additional COVID-19 costs. Covid expenditure of £21.6m was matched with funding from Scottish Government.

4.8.2 The “Set Aside Budget” as it is referred to in the Integration Scheme, represents the direct cost of six specialities and is focussed on unscheduled activity. The six areas of are Accident and Emergency, General Medicine, Geriatric Medicine, Respiratory Medicine, Rehabilitation Medicine and certain GP non-elective activity. The Integration Scheme makes provision for the Set Aside budget to be managed in year by the Health Board with any recurring over and underspends being considered as part of the annual budget setting process.

4.8.3 The set aside allocation for this financial year is based on actual activity in respect of 2019-20 bed days, discharges and admissions. The activity from 2019-20 is used for this purpose as it is the last full year available dataset reflecting actual activity. Previous set aside allocation in budget monitoring reports was based on statistical information from Information Services Division (ISD) within Ayrshire and Arran Health Board. The table below highlights South Ayrshire’s use of resources was above the NRAC “fair share” by £1.551m for 2019-20.

IJB	Set Aside 2020-21 £m	NRAC %	NRAC Budget Share 2020-21 £m	Over / (Under) NRAC Fair Share £m
East Ayrshire	23.897	32.41%	27.385	(3.489)
North Ayrshire	33.054	36.83%	31.116	1.938
South Ayrshire	27.540	30.76%	25.990	1.551
Total	84.491	100%	84.491	0.00

4.8.4 The Set Aside resource and development of directions has been recognised as an area for development. This work has been paused during the pandemic as other priorities took precedence. A Pan Ayrshire working group has been set up and will develop set aside requirements for full implementation next financial year.

4.9 Budget Movements

4.9.1 The budget approved on the 25th of March 20, appendix C highlights the movement in the overall budget position from initial approval. Section 8.2.5 of the Integration Scheme states that *“Either party may increase its in year payment to the Integration Board. Neither Party may reduce the payment in-year to the Integration Board nor Services managed on a Lead Partnership basis without the express consent of the Integration Board”*.

Explanation on main budget movements:

1. Emergency Response Team budget transfer of £0.319m, following approval by Council, the delivery of ERT service will sit under the Community Care and Health service.
2. Alcohol and Drug Partnership funds earmarked in 2019-20 transferred into budget for use in 2020-21
3. Children and Families mediation co-ordinator budget transferred on a temporary basis from Homeless Strategy Funding.
4. Increase in funding of £1.090m from Scottish Government to meet initial Covid-19 costs
5. Increase of £0.273m from the Scottish Government to fund the incremental increase in the hourly contracted providers uplift to 3.3% from 3% approved in 2020-21 Budget.
6. Increases in Prescribing and GMS are not actual increases in budget in 2020-21, this reflects timing of budget approval by IJB and subsequent Health Board Budget increase in 2019-20 after approval.
7. Paid as if at Work budget allocation from approved budget 2020-21.
8. Annual Insurance allocation from Council of £0.140m
9. Parkinson Nurse budget and responsibility transferred from North Health and Social Care Partnership £0.109m
10. Lochranza and Arrol Park resource transfer income transferred from North Health and Social Care Partnership £0.305m
11. Additional Covid funding allocated from Scottish Government £2.794m based on Qtr1 Local Financial Mobilisation submissions
12. Scottish Government Grant Funding received for Children and Families Mental Health and Wellbeing £0.212m
13. Scottish Government Covid Winter Plan funding for Children and Families £0.509m
14. Additional Covid Funding allocation £4.992m
15. Reduction in prescribing budget £1.030m
16. Additional funding for school nurses and district nurses £0.098m
17. Winter funding to support delayed discharges £0.100m
18. Transfer of Admin staff to East HSCP £0.100m

19. Council year end allocations of Holiday Pay and Pension Accruals £2.934m
20. Use of Council reserves for previously approved transformation projects £0.115m
21. Scottish Government Covid Grant for Children and Young People Mental Health and Wellbeing £0.212m
22. Additional Covid funding allocated from Scottish Government £5.279m, to meet this years costs included in Local Mobilisation Plan and additional funds for 2021-22.
23. New non-recurring funding for a Community Living Fund £0.410m, to redesign services for people with complex needs to enable reduction in delayed discharges related to complex needs
24. Additional ADP funding £0.063m to support Drug Related Deaths
25. Year end allocations for Prescribing and General Medical Services £4.327m
26. Allocation of NHS Pay Award Arrears £0.362m
27. Transfer of Package of Care budget to Actue £0.122m, allocated to Partnership in previous years
28. Funding from Public Health for Dietetics £0.007m

4.10 Virements for Approval

4.10.1 In year budget virements are made to transfer budgets either to another service or budget holder following organisational change or to tidy up budgets to reflect actual spend patterns. There are no virements for approval.

4.11 Savings Targets

4.11.1 Savings targets of £3.192m were approved in the 2020-21 budget and expected to be achieved this financial year to date. Appendix D details savings approved and progress made this year along with £0.624m outstanding efficiencies from prior year that required to be actioned this year.

4.11.2 To date £3.128m has been achieved in progressing the savings plans. Due to work undertaken last year with full benefits realised in 2020-21, including reduction in outwith authority placements, discharge of adult high cost care packages and the implementation of CM2000 within the internal home care service.

4.11.3 Due to the Covid-19 pandemic a number of savings plans have been paused, this has resulted in £0.402m allocated to the local mobilisation financial return. Funding in full was received on a non-recurring basis to meet the shortfall. Plans are being developed to ensure savings carried forward into 2021-22 can be achieved.

4.11.3 The table below, summarises the savings by BRAG status, defined as B – Saving is complete, R – Not on Track requires action, A – Minor issues mitigation required, G – savings on track for completion.

BRAG Status	Total Approved Efficiencies	Achieved 20-21	Allocated to Covid	Projected to be achieved	Balance Remaining
B	2.745	2.567	0.009	0.000	0.169
G	0.162	0.162	0.000	0.000	0.000
A	0.792	0.399	0.393	0.000	0.000
R	0.116	0.000	0.000	0.000	0.116
Total	3.815	3.128	0.402	0.000	0.285

4.11.4 The only saving within the red status requiring action is the review and implementation of a revised charging policy outstanding from prior year. Due to the current pandemic this work was paused as consultation process could not have been facilitated with ease. However, the Independent Review of Adult Social Care was published in February 2021 and includes recommendations to remove charging for non-residential social care support. Until we are clear on the recommendations to be taken forward this work will continue to be deferred.

4.12 Covid Financial Costs

4.12.1 The costs incurred this financial year in responding to COVID were £8.486m, including delays in savings £0.402m and offsetting cost reductions £0.241m summarised in the table below.

4.12.2 The most significant cost has been the sustainability payments to ensure providers are financially resourced to meet the needs of the pandemic, an annual spend of £3.114m was incurred. The expenditure is based on criteria set out in the Scottish Governments Provider Sustainability Principles and includes support for underoccupancy in care homes, reimbursement of personal protective equipment (PPE) and social care staff support fund ensuring staff are paid their expected income if absent from work due to Covid. These principles are under review and new guidance being developed in collaboration with IJB Chief Finance Officers, Scottish Government, Convention of Scottish Local Authorities (COSLA) and representatives from provider organisations.

4.12.3 The purchase of PPE for our own staff also cost £0.953m during the year. The current Memorandum of Understanding for the PPE hubs is under review but Scottish Government have committed to provide support in this area. NHS National Services Scotland (NSS) are expected to take on the responsibility of ensuring stock levels are maintained.

4.12.4 Additional staffing costs were incurred in supporting services to continue to operate safely and provide additional capacity in the community hospital to relieve pressures within acute services. Additional overtime was incurred to cover for an increase in staff absences related to covid infections.

Areas of Spend	NHS £'000	SAC £'000	Total Actual Spend £'000
Delayed Discharges - Care home Beds		416	416
Delayed Discharges - Care at home hours		267	267
Surge Capacity - Additional Biggart Beds	545	-	545
Community Equipment Store	194	-	194
Personal Protective Equipment (PPE)	14	939	953
Payments to Providers		3,114	3,114
Staffing Costs	585	1,031	1,616
Estates and Facilities Costs	14	-	14
Community Care		216	216
Children and Families		52	52
Offsetting Cost Reductions		(241)	(241)
Delay in Achieving Savings		402	402
Loss of Income		162	162
Other - small items	22	70	92
Remobilisation - Increase in care at home hours		670	670
TOTAL MOBILISATION PLAN	1,375	7,099	8,473
Covid C & F Mental Health & Wellbeing		13	13
TOTAL COVID SPEND	1,375	7,111	8,486

4.12.5 Total funding received for the Local Mobilisation response was £12.347m, along with specific grant funding of £0.212m to support Children, Young People and their families mental health and wellbeing. Summary of expenditure from each of these funding streams is detailed below, with the remaining balance of £4.073m carried forward to reserves to meet the additional costs in the new financial year 2021-22. The Local mobilisation plan for 2021-22 was submitted to the Scottish Government in February 2021 and subsequently approved. This will be updated during the financial year as we continue to recover from the pandemic and will reflect updates in national policies and guidance that emerge.

Covid Funding	£'000
Local Mobilisation Funding	12,347
C& F Mental Health & Wellbeing	212
TOTAL COVID FUNDING	12,559
Total Expenditure 2020-21	
Local Mobilisation Funding	8,474
C& F Mental Health & Wellbeing	13
TOTAL COVID EXPENDITURE	8,486
COVID RESERVE	4,073

4.13 Financial Risks

4.13.1 The financial risks within the IJB's delivery of health and social care services over the next financial year are:

- Cost of recovery and renewal from the pandemic, as services start to reopen and redesign providers costs may not correlate to the budget availability;
- The levels of non-recurring funding for specific policies are reducing the level of flexibility in managing the finances locally and directing to areas of specific need;
- Ability to financially plan in medium to longer term is hindered by the levels of non-recurring funding and the financial settlement from Scottish Government on an annual basis;
- Implementation of recommendations from the Independent Adult Care Review specifically the removal of non-residential charging if not fully funded will be a risk to financial sustainability;
- Uncertainty in levels of demand as we move out of the pandemic;
- Savings approved in 2021-22 budget remain challenging along with savings carried forward from 2020-21 that were unable to be achieved;
- Implementation of fair shares for the Set Aside budget, South Ayrshire are using more than their current NRAC share.

4.13.2 The above risks will be continued to be monitored during the year through continued budget monitoring, robust savings plans and transformation activities. The IJB is in a position this year that reserves are available to help mitigate any financial challenges that arise, however there is a balance that needs to be achieved in utilising reserves to support transformation and to assist in longer term financial sustainability.

5 STRATEGIC CONTEXT

5.1 The IJB is expected to operate within the resources available. This report contributes to the IJB Strategic Objective to "operate sound strategic and operational management systems and processes."

6 RESOURCE IMPLICATIONS

6.1 Financial Implications

6.1.1 The financial implications for the IJB Integrated Budget are outlined within the report.

6.2 Human Resource Implications

6.2.1 There are no human resource implications arising from this report.

6.3 Legal Implications

6.3.1 There are no legal implications arising from this report.

7 CONSULTATION AND PARTNERSHIP WORKING

7.1 This report has been prepared in conjunction with colleagues from South Ayrshire Council and NHS Ayrshire and Arran.

8 RISK ASSESSMENT

8.1 The report sets out the financial risks.

8.2 The IJB Risk Management Strategy categorises the level of financial risk as high.

9 EQUALITIES IMPLICATIONS

9.1 There are no immediate equality implications arising from the report.

10 SUSTAINABILITY IMPLICATIONS

10.1 There are no environmental sustainability issues arising from the approval of this report by the IJB.

REPORT AUTHOR AND PERSON TO CONTACT

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BACKGROUND PAPERS

APPENIDX A

South Ayrshire Health & Social Care Partnership Financial Report as at 31st March 2021					
Table 1	2020/21				
	Integrated				
	Budget	Actual Outturn	Variance (Over)/ Underspend	Prior Period Variance (Over)/ Underspend	Movement from Prior Period Favourable/(Adverse)
	£'000	£'000	£'000	£'000	£'000
Older People	44,291	43,039	1,252	1,223	29
Physical Disabilities	3,751	3,700	51	(68)	119
Biggart Hospital	4,392	4,919	(527)	(636)	109
Girvan Hospital	1,401	1,432	(31)	(36)	5
Community Nursing	2,902	3,076	(174)	(252)	78
Intermediate Care and Rehabilitation	1,553	1,403	150	182	(32)
AHPs	5,438	5,097	341	373	(32)
Total Community Care & Health	63,728	62,666	1,062	787	275
C&F Social Work Services	21,703	20,471	1,232	728	504
Criminal Justice	126	113	13	18	(5)
Health Visiting	2,602	2,485	117	152	(35)
Total Children and Justice Services	24,431	23,069	1,362	898	463
Learning Disabilities	20,610	20,635	(25)	(378)	353
Mental Health Community Teams	6,247	6,101	146	188	(42)
Addictions	2,290	2,136	153	90	63
Total Mental Health Services	29,147	28,872	275	(99)	374
Directorate	3,586	2,825	761	457	305
Other Services	2,291	1,872	418	165	253
Payroll management target	633	0	633	312	321
Total Support Services	6,509	4,697	1,812	934	879
Integrated Care Fund/ Delayed Discharge	3,257	3,058	199	159	40
Scheme of Assistance	796	785	11	0	11
Inter Agency Payments	0	1	(0)	0	(1)
Prescribing	25,276	25,276	0	0	0
General Medical Services	18,881	18,750	131	103	28
Total Primary Care	44,157	44,026	131	103	28
Community Store	499	502	(3)	2	(5)
TEC	1	(13)	15	1	14
Family Nurse Partnership	1,157	1,135	21	0	21
Continence Team	439	483	(44)	(51)	7
Total Hosted Services	2,096	2,107	(11)	(47)	37
Debt Repayment	1,092	1,092	0	0	0
COVID COSTS	12,054	8,217	3,837	(587)	4,424
PARTNERSHIP TOTAL	187,268	178,590	8,677	2,147	6,530
Recharges from other Partnerships	44,497	42,977	1,520	575	946
Recharges to other Partnerships	(1,455)	(1,462)	7	33	(26)
Acute Hospitals	27,540	27,540	0	0	0
IJB Core Budget Total	257,850	247,645	10,205	2,755	7,450

APPENDIX B

South Ayrshire Health & Social Care Partnership Financial Report as at 31st March 2021

Table 1	2020/21			2020/21			2020/21		
	Council			NHS			Integrated		
	Budget	Projected Outturn	Variance (Over)/ Underspend	Budget	Projected Outturn	Variance (Over)/ Underspend	Budget	Actual Outturn	Variance (Over)/ Underspend
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Older People	44,291	43,039	1,252	0	0	0	44,291	43,039	1,252
Physical Disabilities	3,751	3,700	51	0	0	0	3,751	3,700	51
Biggart Hospital	0	0	0	4,392	4,919	(527)	4,392	4,919	(527)
Girvan Hospital	0	0	0	1,401	1,432	(31)	1,401	1,432	(31)
Community Nursing	0	0	0	2,902	3,076	(174)	2,902	3,076	(174)
Intermediate Care and Rehabilitation	0	0	0	1,553	1,403	150	1,553	1,403	150
AHPs	0	0	0	5,438	5,097	341	5,438	5,097	341
Total Community Care & Health	48,042	46,739	1,303	15,686	15,927	(241)	63,728	62,666	1,062
C&F Social Work Services	21,703	20,471	1,232	0	0	0	21,703	20,471	1,232
Criminal Justice	126	113	13	0	0	0	126	113	13
Health Visiting	0	0	0	2,602	2,485	117	2,602	2,485	117
Total Children and Justice Services	21,828	20,584	1,245	2,602	2,485	117	24,431	23,069	1,362
Learning Disabilities	20,152	20,230	(78)	458	404	54	20,610	20,635	(25)
Mental Health Community Teams	3,709	3,582	128	2,537	2,519	18	6,247	6,101	146
Addictions	1,182	1,052	130	1,108	1,084	24	2,290	2,136	153
Total Mental Health Services	25,044	24,865	179	4103	4007	96	29,147	28,872	275
Directorate	2,249	1,990	259	1,337	835	502	3,586	2,825	761
Other Services	2,291	1,872	418	0	0	0	2,291	1,872	418
Payroll management target	633	0	633	0	0	0	633	0	633
Total Support Services	5,172	3,862	1,310	1,337	835	502	6,509	4,697	1,812
Integrated Care Fund/ Delayed Discharge	1,228	985	243	2,028	2,072	(44)	3,257	3,058	199
Scheme of Assistance	796	785	11	0	0	0	796	785	11
Inter Agency Payments	(34,665)	(34,664)	(0)	34,665	34,665	(0)	0	1	(0)
Prescribing	0	0	0	25,276	25,276	0	25,276	25,276	0
General Medical Services	0	0	0	18,881	18,750	131	18,881	18,750	131
Total Primary Care	0	0	0	44,157	44,026	131	44,157	44,026	131
Community Store	0	0	0	499	502	(3)	499	502	(3)
TEC	0	0	0	1	(13)	15	1	(13)	15
Family Nurse Partnership	0	0	0	1,157	1,135	21	1,157	1,135	21
Continence Team	0	0	0	439	483	(44)	439	483	(44)
Total Hosted Services	0	0	0	2,096	2,107	(11)	2,096	2,107	(11)
Debt Repayment	1,092	1,092	0	0	0	0	1,092	1,092	0
COVID COSTS	10,679	6,841	3,837	1,375	1,375	0	12,054	8,217	3,837
PARTNERSHIP TOTAL	79,216	71,089	8,128	108,051	107,502	550	187,268	178,590	8,677
Recharges from other Partnerships				44,497	42,977	1,520	44,497	42,977	1,520
Recharges to other Partnerships				(1,455)	(1,462)	7	(1,455)	(1,462)	7
Acute Hospitals				27,540	27,540	0	27,540	27,540	0
IJB Core Budget Total	79,216	71,089	8,128	178,634	176,557	2,077	257,850	247,645	10,205

APPENDIX C PARTNERHSIP BUDGET MOVEMENTS

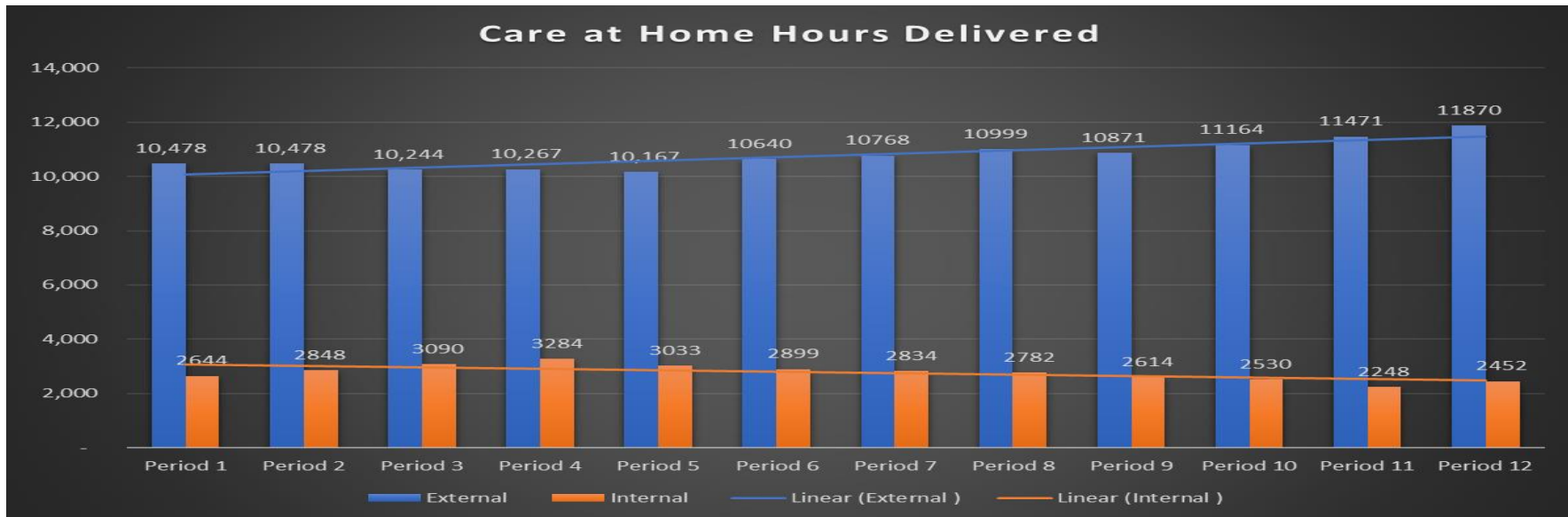
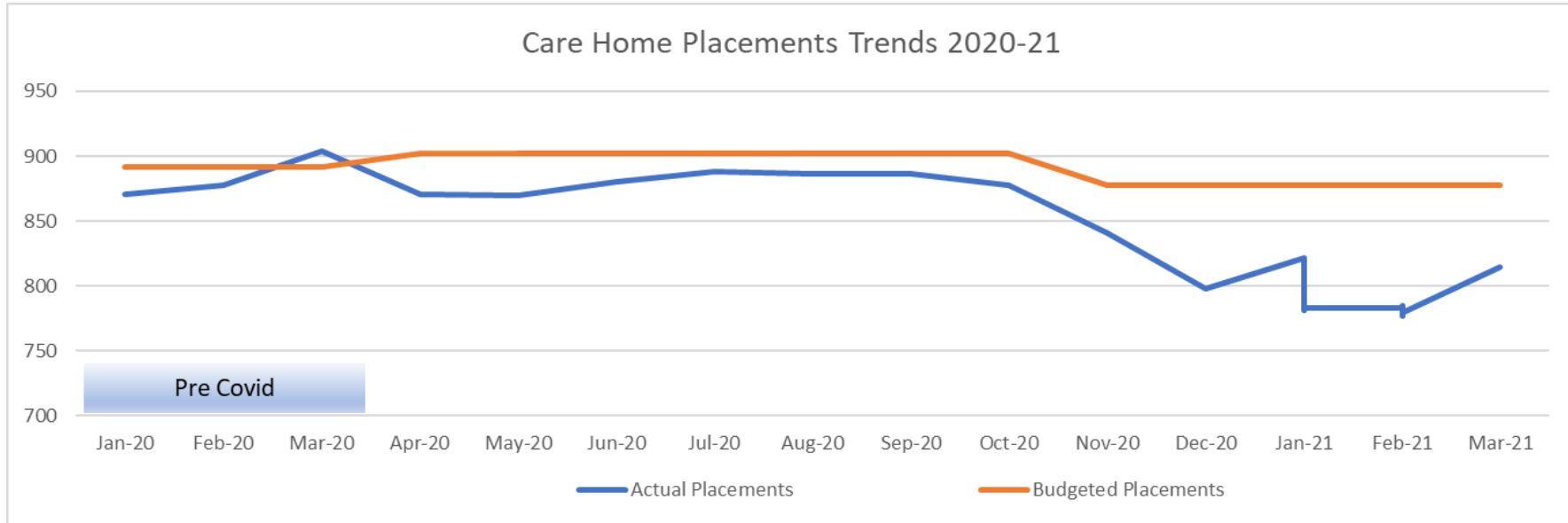
<u>Council</u>	Permanent or Temporary	£'000
Approved Budget		77,342
Change to Aids and adaptations budget	T	13
Fuel adj from Place budget	T	4
Interdirectorate adjs	T	(59)
Justice grant income recoding to HSCP	T	(2,000)
ERT Budget transfer	P	319
ADP Funds Transferred in from 19/20 Earmarking	P	170
C&F Mediation co-ord funding from HSF	T	30
Fleet overhead adjs	T	(7)
Enhanced leave adj	T	(1)
Insurance allocation	T	140
Interagency adjustment ICF	T	(20)
Third party insurance alloc	T	22
IFRS pay accruals	T	234
IAS 19 Pensions	T	2,700
TB GS capital entry	T	2
Draw on reserves	T	75
Repairs and renewals draw	T	34
Eff and improvement draw	T	6
C&YP Covid	T	212
Budget as at Year End		79,216

<u>NHS</u>	Permanent or Temporary	£'000
Approved Budget		88,763
Prescribing Increase	T	441
GMS Increase	T	1,831
COVID Funding for Social Care	T	1,090
COVID Funding for Social Care (Living Wage)	T	273
Covid Funding Tranche 2 share of £8m	T	745
Paid as if at work	P	(53)
Parkinson Nurse trf from North	P	109
Lochranza and Arrol Park Discharges	P	305
OT Transfer to MSK	P	(11)
South Covid Funding	T	2,792
South Covid Funding	T	2,200
Prescribing Reduction	T	(1,030)
School Student Nurses	T	184
District Nursing Funding	T	41
ADP Additional Funding	T	48
Winter Funding	T	100
Transfer AHP Admin to EAST HSCP	P	(100)
Dietetics Funding from Public Health	T	7
Additional Covid Funding	T	262
Covid Social Care Funding	T	1,543
Adult Social Care Winter Tranche 2	T	1,070
Community Living	T	410
Further IA Support	T	2,404
ADP Additional Funding	T	63
Prescribing YE Uplift	T	2,504
GMS YE Uplift	P	1,823
Arrears Pay Award	T	362
POC transfer to Acute	P	(122)
Veterans 1st Adjust to North	P	(6)
Social Care Providers Shielding Funding	T	3
Budget as at Year End		108,051

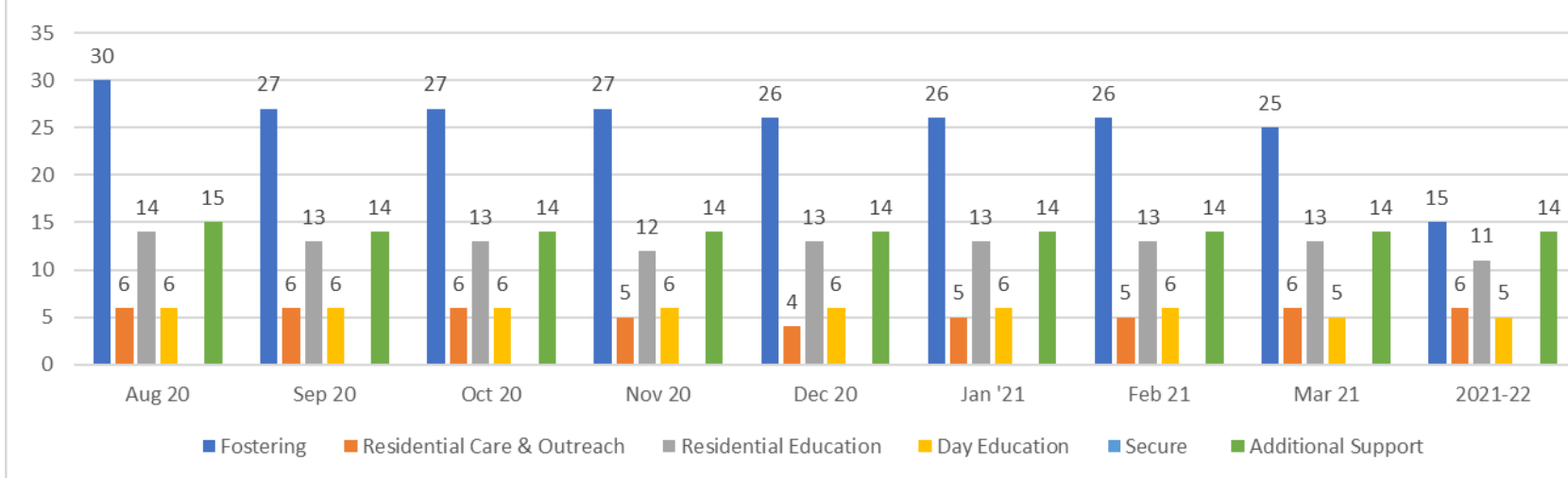
APPENDIX D SAVINGS SCHEDULE

Saving Title	Partner	Approved	BRAG Status	£	£	Allocated to COVID	£	£	Comments
				Efficiencies 20-21	Achieved 20-21		Further achievement projected	Balance remaining	
Management efficiency	SAC	PY	G	(50,000)	(50,000)	0	0	0	Achieved from recurring vacancies - Admin review will identify actual posts to remove
Admin efficiency	SAC	PY	G	(56,215)	(56,215)	0	0	0	Achieved from recurring vacancies - Admin review will identify actual posts to remove
LD Day Services	SAC	PY	G	(55,900)	(55,900)		0	0	Prior Year Saving Ongoing - met on temp basis this year
SDS reclaims	SAC		B	(345,679)	(345,679)	0	0	0	Assume full achievement at present
Day care charging	SAC	PY	R	(116,000)		0	0	(116,000)	Not implemented - on hold awaiting the outcome of the Independent Review of Adult Social Care recommendations
Prior Year Efficiencies				(623,794)	(507,794)	0	0	(116,000)	
C&F Contract efficiencies	SAC	2020-21	B	(60,000)	(60,000)	0	0	0	Implemented in 19/20 full year effect 20/21
Community Alarm increase 19/20	SAC	2020-21	B	(81,000)	(81,000)	0	0	0	Prior Year implemented - full year benefit 20/21
CM2000 In house homecare	SAC	2020-21	B	(223,251)	(223,251)	0		0	System Partially implemented savings achieved
Charging Inflationary increase 20/21	SAC	2020-21	B	(22,000)	(12,833)	(9,167)	0	0	Inflationary increased delayed due to covid, SG funded lost income in Covid Financial Mobilisation Return
Adult High Cost Care Packages	SAC	2020-21	B	(496,000)	(496,000)			0	Prior year care packages ended, full year saving 20/21
OWA Residential Placements	SAC	2020-21	B	(565,000)	(565,000)	0	0	0	New ways of working implemented 19/20 full year savings 20/21
Elba Gardens Development	SAC	2020-21	B	(169,250)		0	0	(169,250)	No savings materialised, budget proposals in 2021-22 will address
Review of Adult Care Packages - LD	SAC	2020-21	A	(648,998)	(324,998)	(324,000)	0	0	Partially achieved, balance allocated to Covid this year. Savings carried forward to 2021-22.
Review of Adult Care Packages - MH	SAC	2020-21	B	(71,002)	(71,002)			0	Achieved
Review of Vol Orgs budgets	SAC	2020-21	A	(143,000)	(74,000)	(69,000)	0	0	Partially achieved, balance allocated to Covid this year. Savings carried forward to 2021-22.
NHS Payroll Turnover	NHS	2020-21	B	(518,000)	(518,000)	0	0	0	
NHS Income Realignment	NHS	2020-21	B	(194,000)	(194,000)	0	0	0	
Approved 2020-21 Efficiencies				(3,191,501)	(2,620,084)	(402,167)	0	(169,250)	

APPENDIX E FINANCIAL PERFORMANCE AND ACTIVITY



OWA Projected Placements 2020-21



Familial Placements 2020-21

