

South Ayrshire Health and Social Care Partnership

REPORT

Meeting of South Ayrshire Health and Social Care Partnership	Integration Joint Board
Held on:	15th February 2023
Agenda Item:	7
Title:	Budget Monitoring Period 9 – 31st December 2022
Summary: The purpose of this report is to advise the Integration Joint Board of the projected outturn for the year as estimated at Period 9 the 31 st of December 2022.	
Presented by	Lisa Duncan, Chief Finance Officer
Action required: It is recommended that the Integration Joint Board: (i) Note the projected financial outturn as at 31 st December 2022; (ii) Note the projected outturn in relation to Lead Partnership services; (iii) Note the projected outturn within the Acute Services budget and Set Aside budgets; (iv) Note the progress made towards prior years savings; (v) Note the Covid-19 projected spend to 31 st of March 2023 and direction to return uncommitted reserves to Scottish Government; (vi) Approve the earmarking of funds in Section 4.12; (vii) Approve the budget virements in Section 4.13; (viii) Note the key financial issues and risks for the IJB	

Implications checklist – check box if applicable and include detail in report									
Financial	<input 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"/>

**SOUTH AYRSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP
INTEGRATION JOINT BOARD
15th February 2023
Report by Chief Finance Officer**

Budget Monitoring Period 9 – 31st December 2022

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to advise the IJB of the projected financial outturn for the financial year as at 31st December 2022. The report will also provide an update on the projected financial costs in the continued response to the Covid-19 pandemic, progress made against savings previously approved, movements on the annual approved budget for 2022-23. Request for approval on use of reserves, funds for earmarking to 2023-24 and budget virements for approval are also included.

2. RECOMMENDATION

2.1 It is recommended that the Integration Joint Board;

- (i) Note the projected financial outturn as at 31st December 2022;
- (ii) Note the projected outturn in relation to Lead Partnership services;
- (iii) Note the projected outturn within the Acute Services budget and Set Aside budgets;
- (iv) Note the progress made towards savings;
- (v) Note the Covid-19 projected spend to 31st March 2023 and direction to return uncommitted reserves to Scottish Government;
- (vi) Approve the earmarking of funds in Section 4.12;
- (vii) Approve the budget virements in Section 4.13;
- (viii) Note the key financial issues and risks for the IJB

3. BACKGROUND INFORMATION

The projected year end outturn as at end of December 2022 is an overall underspend of £6.299m. This includes the partnerships' share of the Lead Partnership underspends. The continued cost in responding to the Covid pandemic is included in the report based on the assumption that costs will be fully funded from carry forward reserves, full details are included in Section 4.6. The projected outturn is broken down as follows:

- Social care services delivered by South Ayrshire Council are projected to be underspent by £3.960m,
- Managed services delivered by NHS Ayrshire and Arran are projected to be underspent by £1.960m,
- Lead Partnership arrangements are projecting an underspend of £0.379m, this includes our share of East Ayrshire's underspend and North Ayrshire's overspend combined with their contribution to our lead partnership services overspend.

4. FINANCIAL COMMENTARY

The integrated budget for 2022-23 is £285.198m, with a projected underspend of £6.299m as at period 9, a favourable movement of £1.242m from Period 6, main movements are due to:

Care at Home purchased favourable movement of £0.811m, due to reduced capacity in commissioned care and transfer of 1,300 hours to inhouse care at home.

Direct Payments favourable movement of £0.304m in recovery of underspent balances.

Carers Act funding favourable movement of £0.167m, commissioning exercise has now concluded and proposal included in this report to allocate funding to specific service areas to meet carers needs.

Staffing investment in adult social work capacity favourable movement of £0.366m, the new structure was approved by ELT in December, and recruitment is in progress.

Allied Health professional's favourable movement of £0.231m due to further slippage in recruitment.

Multi-Disciplinary Team funding favourable movement of £0.346m slippage in vacancies and recruitment to Hospital at Home Team.

Lead Partnerships favourable movement of £0.190m in Primary Care Services delivered by East Ayrshire Health and Social Care Partnership.

The above favourable movements are offset with adverse movements in:-

Council Employee Costs adverse movement of £0.954m to fund pay award for 2022-23. This increase represents the additional costs incurred this financial year to meet increased pay award. No allocation has been provided to meet additional costs of 2022-23 pay award but anticipate that funding will be included in the base budget for 2023-24.

Children Services adverse movement of £0.230m mainly due to one new residential placement and one young person moving from residential to secure care.

Appendix A provides the projected financial position for the partnership and highlights the variances in service expenditure. Appendix B provides detail per partner.

The following sections will provide an overview of the projected financial outturn and underlying assumptions. An explanation of budget movements in year along with use of uncommitted reserves and budget virements seeking approval. Progress on savings to be achieved, and a summary of Covid-19 financial impact. Reserves update and budget virements and use of reserves for approval.

4.1 **Community Health and Care – projected underspend of £1.254m**

Against a full year budget of £76.654m, there is a projected underspend of £1.254m (1.64%). The main reasons for the underspend are:

Purchased Care at Home Service projected underspend of £1.500m. The budget can afford 10,457 hours per week however due to capacity issues in the private sector we are only able to purchase 6,700 hours per week. This has reduced from 8,374 hours per week in period 6, partially due to transfer of 1,300 care hours from one care at home provider to internal provision.

The partnership continues to collaborate with providers to recruit into jobs in health and social care; For example, a number of in-person recruitment events have been held involving both in-house and private providers. We are starting to see progress in recruitment with expected vacancies within the mainstream service to be filled by the end of the year. Nine confirmed new starts in Feb, with a further 5 invited for interview in February.

Demand for care at home services at present exceeds the capacity available, with weekly information on unmet need collected, reviewed and presented to Scottish Government. The service have invested in Occupational Therapy Assistants in the Reablement Team to focus on working with service users who are not able to have their needs met. This team will focus on providing reablement support, optimise independence to reduce hospital admission and demand on mainstream care at home. Further investment in VASA to provide early intervention and preventative support to help reduce demand on services has also been approved.

Care at Home Employees including reablement team projected underspend of £0.165m, an adverse movement of £0.510m from period 6. Underspends in employee costs have been used to fund the increase in pay award for 2022-23. The £0.165m represents the balance of underspend remaining.

There has been in year vacancies offset with additional costs incurred in delivering care hours handed back from two care at home providers during the financial year. Within care at home there are 19 vacancies with interviews to be held week commencing 6th Feb, expectation is all posts will be filled. Within reablement there are 11 vacancies all posts have been recruited to and waiting to start. Rolling advert on My Job Scotland for posts and monthly interviews set up to enable timely recruitment.

Appendix E highlights the trend in purchased care at home over the last twelve months along with the demand for care at home and the capacity available.

Allied Health Professionals – projected underspend of £0.943m, due to vacancies in year. Projection based on estimated start dates for vacant posts approved for recruitment.

Intermediate Care and Rehab – projected underspend of £0.223m, due to vacancies in year. Projection based on estimated start dates for vacant posts approved for recruitment.

Community Nursing – projected underspend of £0.049m, due to slippage in vacancies offset with continued use of bank and borrowed shifts to cover weekend working, staff sickness and maternity leaves.

Older People respite services projected underspend of £0.160m due to decrease in demand for residential and community based respite care.

The above underspends have been offset with overspends in the following services:-

Care Homes – projected overspend of £0.704m. This includes provision of £0.150m for increase to nursing contract rates based on Agenda for Change pay award. The care home budget can afford for 878 placements, as at end of January there was 864 people in care homes. In 2020 Pre-Covid care home placements were 67% Nursing and 33% residential. This ratio has now changed to 75% nursing and 25% residential, this has resulted in an overspend as cost of nursing is greater than residential care. This overspend has also been compounded by a decrease in self-funders and an increase in people receiving funding from the Council. In 2020 self-funders accounted for 43% of placements, this has reduced to 39%. Council are therefore funding 62% of placements compared to 57% in 2020. A review of costs increases and change in demand patterns will be factored into the budget for 2023-24.

Biggart Hospital – projected overspend of £0.289m, due to increase in staffing establishment and additional use of bank and borrowed staff to support increase levels of one to one support required. As at 1st of February there were 38 delayed discharges in Biggart Hospital, 32 waiting on care at home services and 3 waiting on a care home. At present there are 83 beds in use, with an additional 12 beds commissioned to provide capacity in responding to Covid the costs of these £0.545m are included in the local mobilisation plan.

The future model for Biggart Hospital has been discussed including pathways for orthopaedics, stroke and palliative care. The next stage is to agree with acute colleagues a 7 day Advanced Nurse Practitioner (ANP) model and planned medical support to meet the Biggart model going forward, this will include an agreed plan for reduction in beds to fully realise the model. This is dependent on an increase in community capacity allowing for reduction in Delayed Transfers of Care (DTC). The bed reduction can be achieved on a sliding scale as DTC reduce. From a financial perspective any overspends in 2023-24 will be offset by underspends in community care staffing and if required reserves, this will be continually monitored during the year.

Income – a shortfall of £0.300m in income mainly due to delay in implementation of day care charging, shortfall in income from non-personal care charging and less than expected income from charging orders.

Physical Disabilities – projected overspend of £0.051m mainly due to increase in supported accommodation costs based on current spend profile to the remainder of the year.

Winter Planning Reserves – funding for additional care at home capacity £1.554m and interim care places £0.760m was earmarked for use in 2022-23. The current assumption is that any balances remaining will be used in the first instance to continue to support winter pressures for 2022-23, with any balance carried forward to support whole system in 2023-24, full details of spending plans are included in the [IJB Reserves Update 22-23](#) report approved on the 17th of August 2022.

4.2 Children and Justice Services – projected underspend of £1.589m

Against a full year budget of £25.677m, there is an underspend of £1.589m (6.19%), the main variances include underspends in:

Family Placements – projected underspend of £1.183m. This projection includes internal foster placements currently 26 less than budgeted and projecting a £0.507m underspend. This reflects the budget investment made into internal placements and

disinvestment in out with authority placements. Due to the focus on early intervention and prevention approaches through Signs of Safety and the Belmont First project the need to accommodate children has reduced significantly. Adoption fees and orders are projecting an underspend of £0.212m, income of £0.113m has been generated from completion of referrals from other local authorities in respect of adoption orders. Further underspend of £0.064m within carers in the community the budget can afford 31 placements based on average cost per week currently there are only 16 placements.

Outwith Authority Placements - projected underspend of £0.243m, adverse movement of £0.184m due to 1 new residential placement and one placement moved from residential to secure. This change provides a reminder of the potential risk from a financial perspective which a small number of placements can bring. There are currently 43 placements compared to a budget of 50 placements. The budget disinvestment included reducing out with authority foster placements over the course of the year this has been achieved.

Health Visiting – projected underspend of £0.158m, due to staff slippage, additional investment made this year as part of budget process.

Unaccompanied Asylum Seekers - as part of the National Transfer Scheme, South Ayrshire Council have committed to the intake of unaccompanied asylum seeking children. To date, South Ayrshire Council have 11 young people in various placement types. A contribution towards the looking after of the young people is provided by the UK Border Agency this funds the costs of the placements and the staffing costs to provide support.

The above underspends have been offset with overspends in the following:-

Children with Additional Support needs – community care packages projected overspend of £0.195m reflecting an increase of 21 new care package from prior year.

Supplies and Services projected overspend of £0.063m, due to increase in legal costs £0.41m and refurbishment of Whitleys Office costing £0.018m, one of cost to HSCP to ensure building is of an adequate standard to meet the needs of children and families visiting.

4.3 Mental Health Services – projected underspend of £1.264m

Against a full year budget of £34.049m, there is a projected underspend of £1.264m (3.71%). The main reasons for the overall underspend are:-

Learning Disabilities community care – projected underspend of £0.999m, as a result of full year effect of prior year savings. Projection based on 230 current service users to the end of the year.

Learning Disability respite care – projected underspend of £0.116m due to less demand for respite than budgeted, however there has been an increase in direct payments to provide alternative to residential respite.

Health Learning Disability Team – projected underspend of £0.102m based on the vacant posts at beginning of the year.

Addictions Team – projected underspend of £0.164m due to vacancy slippage within Health Team. The current funding for residential rehabilitation from the Scottish Government is £0.113m per annum. This funding was allocated to ensure that anyone who requested residential rehab for an addiction issue was able to access this support. This year we are projected to spend £0.200m on residential rehab, the additional cost has been met from reserves in 22-23. The demand for this service is not financially sustainable in 23-24, Scottish Government have been made aware that funding allocation is not sufficient to meet the demand, and further funding is required to meet outcomes expected. Awaiting a response, and any financial implications will be addressed in the 23-24 Budget.

Mental Health Voluntary Organisations – projected underspend of £0.067m based on current contracts with voluntary organisations

Supported Accommodation – projected underspend of £0.114m due to time taken for provider organisation to achieve full workforce capacity.

The above overspends are offset with overspend in the following services:

Learning Disability residential care – projected overspend of £0.167m based on 41 current placements remaining until the end of the year.

4.4 Support Services projected underspend of £1.884m

Within the Council there is total projected underspend of £1.156m due to additional social work additional capacity funding of £0.550m received within the Budget settlement for 22-23, currently projecting an underspend of £0.500m due to time taken to approve new structure, process of recruitment is now progressing. Winter pressures and Carer's act funding £0.653m projected underspent. Commissioning exercise for Carers services is now complete and expectation full spend in 23-24.

Within Health there is a projected underspend of £0.728m, of which £0.304m relates to staff vacancies in business admin, winter pressure funding of £0.328m projected underspend due to vacancy slippage in year, further underspend of £0.096m, from financial pressure approved in budget 22-23 to meet our share of costs in Foxgrove the national secure adolescent inpatient facility, due to open in 2024.

4.5 Hosted Services projected overspend of £0.132m

The Continence Team have a projected overspend of £0.100m due to an increase in purchase of supplies along with contract price increases and 0.5WTE additional to staffing establishment in the team to meet with demand pressures. A review of this service will be undertaken during the year to understand increase in demand and assess how to mitigate the financial pressure with new ways of working. Contract increase pressures will be included in the 2023-24 Budget Pressures.

Community Equipment store is projecting an overspend of £0.086m as a result of increase costs to meet demand and supply issues, particularly for beds purchased to meet delayed transfers of care. This issue is not expected to continue. Contract increases for other items will be included in 2023-24 Budget Pressures.

Family nurse partnership are projecting an underspend of £0.049m, this is due to income received from NHS Education for Scotland (NES). Projection assumes Scottish Government funding allocation matches the cost of the posts recruited to in year. With full funding allocation anticipated next year.

4.6 Covid Expenditure

The partnership continues to respond to the covid pandemic following Scottish Government guidelines and legislation. Regular finance returns are submitted to the Scottish Government detailing the financial implications in responding to the pandemic.

The latest projected spend is £2.599m submitted by NHS Ayrshire and Arran finance in January 2023 within Qtr3 Financial Performance Return (FPR). This projection is based on the current principles in place for provider sustainability until the 31st March 2023.

Description of Expenditure	Projected Spend 22-23		
	NHS	SAC	Total
Additional Community Hospital Bed Capacity	545		545
Additional Infection Prevention and Control Costs			-
Additional Staff Costs	350	237	587
Digital IT Costs			-
Additional Equipment and Maintenance			-
Additional PPE		91	91
Additional Capacity in Community			-
Social Care Provider Sustainability Payments		359	359
Social Care Support Fund Claims		937	937
Chief Social Work Officer		80	80
Children and Family Services			-
Unachievable Savings			-
Loss of Income		-	-
TOTAL PER PARTNER	895	1,704	2,599

The costs include 12 additional community hospital beds at Biggart Hospital to relieve pressure on acute services and enable capacity at Ayr Hospital to be available. As mentioned earlier plans are in place to review the Biggart model.

Staffing costs include additional staff to support the ongoing Covid response and recovery in meeting demand and backlogs and cover for Covid related staff absence.

Continued costs for sourcing PPE are expected to be recurring in nature, this has been highlighted to the Scottish Government. A PPE steering group has been set up to look at the ongoing supply of PPE with new arrangements to be decided. The current arrangements in place under the approved Memorandum Of Understanding are that we procure our own, with National Services Scotland providing a top up at no charge, this additional top up of PPE is distributed by the HSCP's PPE hub to personal assistants and unpaid carers to ensure they have an adequate supply at all times.

Provider sustainability principles are approved by the Scottish Government, the latest guidance includes an extension to the Social Care Staff Support Fund until 31st March

2023, this fund ensures staff are paid their expected income if absent or self-isolating due to Covid. Other financial support available to 31st of March 2023 is reimbursement of costs incurred in relation to testing and vaccination.

4.7 **Covid Reserves**

On the 12th September a letter was received from Scottish Government's Director of Health Finance, Corporate Governance and Value Directorate providing an update on Covid Reserves. The letter stated that due to a number of significant changes to Public Health policies in relation to Covid over the summer, resulting in a reduced profile of spending compared to when funding was provided to IJB's for Covid purposes. The Scottish Government will reclaim surplus Covid reserves to be redistributed across the sector to meet current Covid priorities.

A further letter was received on the 16th January 2023, regarding the arrangements to enable Covid reserves to be returned. This will be carried out through a negative allocation to the NHS Board's back to Scottish Government.

The Month 8 FPR is the basis on which the Scottish Government will reclaim any excess reserves. On this basis for South Ayrshire IJB excess reserves of £8.677m will be passed back to Scottish Government. This represents reserves of £11.666m less £2.989m projected spend as at month 8. Confirmation has been received that all expenditure will be fully funded, a year end final spend submission will determine if any funding is due or a surplus to be paid back.

This is an in year adjustment to reserves, and will not impact on future years. Work will continue on the national Covid Cost Improvement Programme, it is important that the Covid reserves held by IJBs are utilised in full in 2022-23. Future Covid related costs will need to be considered as part of the overall budget envelope that is agreed through the usual Scottish Government budget process in 2023-24 and beyond.

4.8 **Lead Partnerships projected underspend of £0.379m**

The table below shows recharges to East and North for services we host, with an expected income of £0.090m projected, being their share of our £0.132m overspend, as noted in Section 4.5 Hosted Services.

The recharges from other Partnerships is our share of East's projected underspend of £0.543m and North's expected overspend of £0.252m.

	Annual Budget 22/23	Projected Outturn	Variance (Over)/ Underspend
Recharges to other Partnerships	(2,180)	(2,270)	90
Recharges from other Partnerships	51,595	51,306	289

The table below shows how the over and underspends have been allocated to each partner based on the NRAC shares noted in the table. These figures have been agreed by Ayrshire Finance Leads.

Host IJB	Underspend/ (Overspend) 22/23 £'000	East Ayrshire NRAC Share £'000	North Ayrshire NRAC Share £'000	South Ayrshire NRAC Share £'000	NRAC Basis
East Ayrshire	969	309	359	301	Community - East 31.9%, North 37%, South 31.1%
North Ayrshire	(39)	(13)	(14)	(12)	Mental Health - East 32.4%, North 36.8%, South 30.8%
South Ayrshire	(130)	(41)	(49)	(40)	Community - East 31.9%, North 37%, South 31.1%
TOTAL	800	255	297	249	

East Ayrshire Health and Social Care Partnership lead on Primary Care services, the current projected underspend is £0.969m. The main underspends are due to:

- Primary Care and Out of Hours Services are projected to underspend by £0.793m, and is due largely to projected underspends in Primary Care, Primary Medical Services and Dental services where staffing numbers are running at less than establishment. The projected underspend within Dental services is largely due to reduced staffing costs in Childsmile and within the Dental management team, with both service areas running with vacancies. In addition, there are reduced costs within Primary Care contracting and support, largely due to staffing turnover, as well as projected savings in diabetic retinopathy services and East Ayrshire Community Hospital medical and general pharmaceutical services.
- These reduced costs are partially offset by additional costs in the GP element of Out of Hours services, as well as additional costs in the overnight nursing service, with work ongoing to address as far as possible over the course of the 2022-23 financial year. Ayrshire Urgent Care Services costs related to the Covid-19 pandemic are recharged against the Covid Funding Allocation (Community Clinical Hub). Covid-19 costs for 2022/23 require to be reduced as far as possible, with a recovery plan, to ensure costs can be contained within budget going forward.
- The Prison and Police Healthcare services are projected to underspend by £0.176m, due to reduced new contracts, however there is a review of the prison service being undertaken. It is expected that these funds will go towards improving the staff levels within the prison.

North Ayrshire Health and Social Care Partnership lead on Mental Health Services, and are projecting to be overspend of £0.039m. Within this position are the following variances:

- A projected underspend in Adult Inpatients of £0.066m, mainly due to the use of supplementary staff and staff in redeployment and reduced bed sale income offset with income in relation to the firestop works.
- UNPACS (Unplanned Activities) is projected to overspend by £1.2m based on current placements remaining until the year end. These placements are for individuals with very specific needs that require a higher level of security and/or care from a staff group with a particular skill set/competence. There are no local NHS secure facilities for women, people with learning disability or people with neurodevelopmental disorder. This can necessitate an (UNPACS)

placement with a specialist provider which can be out-of-area. The nature of mental health UNPACS spend is that it is almost exclusively on medium or long term complex secure residential placements which are very expensive so a small increase in placements can have a high budgetary impact. Due to the complexity and risk involved, transitions between units or levels of security can take many months. Applications to approve a placement are made to the Associate Medical Director for Mental Health who needs to be satisfied that the placement is appropriate and unavoidable prior to this being agreed.

- A projected overspend in mental health pharmacy of £0.100m due to an increase in substitute prescribing costs.
- Learning Disability services projected to overspend by £0.275m. This is mainly due to high usage of supplementary staffing, cross-charging for a LD patient whose discharge has been delayed and redeployment staffing costs. Supplementary staffing costs relate to backfill for sickness, increase and sustained enhanced observations and vacancies. The enhanced observations are reviewed on a daily basis however, due to the individuals being acutely unwell at present, this level of enhanced observations has been maintained for a lengthy period of time. The projection assumes that we begin cross charging another HSCP for the ongoing costs of the person as detailed above where, despite giving extensive time to identify an alternative placement there has, as yet, been no solution identified.
- Elderly Inpatients are projected to overspend by £0.134m mainly due to the use of supplementary staffing.

The turnover target of £0.481m for vacancy savings is held within the Lead Partnership as this is a Pan-Ayrshire target. There is a projected over-recovery of the vacancy savings target of £1.187m. Main areas contributing to this over achievement are noted below:

- Adult Community Health services £0.192m
- CAMHS £0.546m
- Mental Health Admin £0.3000m
- Psychiatry £0.100m
- Associate Nurse Director £0.040m
- Psychology £0.540m

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 a projected overspend of £0.132m. Our share of this is £0.040m with the balance £0.090m received from the other Partnerships, reflected in the Recharges to other Partnerships line in the IJB financial report on Appendix A.

4.9 Acute Hospitals

The 2022-23 annual budget for Acute Services is £386.1m, which includes areas covered in the set aside budget. The current overspend at period 9 is £11.7m, this is a result of savings not expected to be achieved and overspends due to increase in drugs, supplies and equipment and nursing pay £3.7m overspend due to use of agency

nurses. The increase in agency nurses is largely driven by the additional beds open in hospitals.

As at 26th of December, there are now 264 delayed discharges 145 were on the two main acute hospital sites. 70 were in Community Hospitals with a further 49 in Mental Health facilities

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.

The set aside allocation within the 2022-23 budget was an allocation of £28.311m. This indicative allocation is used for the purposes of this financial monitoring report.

Work was undertaken last year to establish a system to calculate the baseline of resources for each partnership based on actual activity. The activity from 2019-20 is used for this purpose as it is the last full year available dataset reflecting actual activity and removes fluctuations experienced in 2020-21 as a result of the covid pandemic. This information will be reviewed on a quarterly basis as part of the Pan Ayrshire fair share pilot project and the use of directions to ensure that the delegated set aside budgets can be fully implemented from 2023-24.

The table below highlights South Ayrshire’s use of resources with the latest information available as at year end 2021-22, this shows we are using more than our “fair share” as determined by NRAC.

All Ayrshire IJB	2021/22 NRAC Share %	2021/22 NRAC Share £	2021/22 Spend £	2021/22 Variance £
East	31.9%	27,715,990	24,565,779	3,150,211
North	36.8%	31,963,285	33,979,624	(2,016,339)
South	31.3%	27,177,478	28,311,351	(1,133,873)
Total	100%	86,856,753	86,856,753	0

4.10 Budget Movements

The budget was approved on the 16th of March 22, 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. Budget allocation of Aids and Adaptations to Council Social Services budget £0.790m

2. Transfer of earmarked budget from Reserves to Council of £15.930m, detail included in the appendix
3. NHS Set Aside budget of £28.311m based on 2021-22 allocation
4. Lead Partnership budget allocations for 2022-23
5. Transfer of budgets to Lead Partnerships for Pressures agreed in budget 22-23
6. Income budget created for Hospital at Home and Urgent Scheduled Care from carry forward 22-23
7. Prescribing adjustment of £0.403m
8. Public Health Funding for BBV £0.138m
9. Transfer of Community Equipment Budget and costs of £0.350m funded from replacement stock budget
10. SG Allocation for Prescribing Uplift including specific drug tariff reductions £1.206m
11. SG Allocation of 22-23 Multi-Disciplinary Team budget £0.750m
12. Budget of £0.071m to cover janitorial services in Children's Houses
13. SG funding of £0.071m to meet costs in supporting the new process for Learning Disabilities Social Security Allowances
14. Budget Transfer to HR of £0.032m to fund a temporary Care at Home Recruitment Advisor
15. Insurance Allocations of £0.140m to cover corporate insurance charges.

4.11 IJB Reserves Balance

In the IJB annual accounts for 2021-22 reserves balance of £28.706m were approved. As noted in the tables below. Total Earmarked reserves of £21.680m were approved and allocations have been made to Council side of the budget.

The Scottish Government Emergency Budget Review published 2 November 2022 outlined cuts totalling £615m from its budget to fund wage settlements with trade unions and to support people through the cost of living crises (including doubling both the Fuel Insecurity Fund and the Scottish Child Bridging Payment). The cuts outlined were in addition to £560m of cuts announced in September, which were used in part to finance an improved wage offer to local government. The majority of savings will be found through reprioritisation in the Health portfolio, including funding allocations in 2022-23 for the Primary Care Improvement Fund, Alcohol and Drugs Partnership and Multi-Disciplinary Teams will be reduced by up to the sums earmarked within IJB Reserve balances at 31 March 2022. Returns have been submitted to Scottish Government for these funding streams with all earmarked reserves allocated to meet in year costs.

Description	Balance as at 31st March 22	Transfers Out 22-23	Balance as at 31st December 2022
	£000's	£000's	£000's
Earmarked Reserves			
ADP	502	(502)	0
East Lead Partnership PCIF	1,543	(1,543)	0
East Lead Partnership Primary Care Other	477	(477)	(0)
North Lead Partnership Action 15	182	(182)	0
North Lead Mental Health Recovery and Renewal	1,735	(1,735)	0
Covid- 19 Remobilisation	11,666	(11,666)	0
Covid-19 C&F MH and Wellbeing	47	(47)	0
Community Living Fund	410	(410)	0
Training SVQ	72	(72)	0
Adoption Orders Delayed	200	(200)	0
Fostering - Advertising for Carers	17	(17)	0
Community Care Assistant Post in Reablement Team	88	(88)	0
Mobile Attendants additional resource	27	(27)	0
SG Care at Home Additional Capacity	1,554	(1,554)	0
Whole Family Wellbeing Funding	63	(63)	0
Mental Health Officer Additional Capacity Funding	57	(57)	0
Unaccompanied Asylum Seeking Children National Transfer Scheme	11	(11)	0
SG Interim Care Funding	760	(760)	0
SG Unscheduled Care - interface carer programme	517	(517)	0
SG Hospital at Home Funding	607	(607)	0
SG 9 month Funding for AHP Front Door Posts	198	(198)	(0)
AHP Band 4 contract (April to June 22 costs)	8	(8)	(0)
Dementia Post Diagnostic Support Posts	79	(79)	0
SG School Student Nurses	25	(25)	0
SG Staff Wellbeing Funding	91	(91)	0
SG Winter Pressures for Multi-Disciplinary Teams	501	(501)	0
SG Funding to accelerate MDT Posts	80	(80)	0
CAP Technician 2 Band 5 for 6 months	36	(36)	0
Band 2/3 Health Care Assistants	127	(127)	0
TOTAL EARMARKED	21,680	(21,680)	0

The total General Fund Balance of £6.773m includes funding previously approved for specific change activity and investment in staffing following service reviews. Draw down of reserves will be actioned at year end with any carry forwards subject to approval as part of the year end process.

Description	Approved 21 -22	Approved 22-23	Total General Reserves 31st December 2022
	£000's	£000's	£000's
Funds Committed for Improvements			
Learning Disability Lead Practitioner	101		101
Learning Disability Champions Board Officer	40		40
Public Protection Policy Officer	113		113
Health Visiting investment in I-Phone	7		7
Young Carers Officer	50		50
Wallacetown investment	0		0
Adult Social Work Review	150		150
Commissioning team resource	40		40
District Nursing Workforce review	100		100
ADP Development Officer Post	70		70
Developing community capacity	0		0
Frailty capacity within MDT	131		131
AHP Capacity	200		200
Absence Management Officer	60		60
Reablement Supervisor Level 9		49	49
Penumbra - DBI 12 month Funding to Aug 23		49	49
Community Care Restructure		200	200
Grow Our Own - Social Work Qualifications		250	250
Community MH - ECG Machines		15	15
Uncommitted Reserves	5,508	(360)	5,148
TOTAL GENERAL FUND	7,026	(253)	6,773

4.12 Request for Earmarking

The projected underspend in AHPs of £0.943m is due to recruitment slippage and ability to recruit. A request to earmark £0.112m to be used next year to support the following teams:-

The Podiatry Team £18k to provide for staff training opportunities including non-medical prescribing, £16k investment in equipment to support for early intervention and prevention and £15k systems development within referral system.

Occupational Therapy team £60k to be allocated to fund temporary maternity leave cover next financial year.

Dietetics £3k to offer training to new employees to act as an incentive in current recruitment process.

The following requests for Earmarking are from the current uncommitted reserves of £5.148m.

Within the ADP a development officer post was created and funded from reserves for 18months, a request is being made to extend this post for 6months to 31st March 24 at a cost of £25k, to support current service developments. ADP One Stop Shop additional resource is requested to fund a temp level 7 peer post at a cost of £42k for 12 months to provide additional capacity to support the model to deliver evenings and weekends.

Request to earmark £30k to fund an extension to the current 1.1Fte posts supporting the implementation of The Promise, this will ensure posts are funded for a full year to September 2023. Current funding ends in March 23.

4.13 Virements for Approval

As part of 2022-23 budget £0.500m was received from the Scottish Government to continue implementation of the Carers Act. A carers commissioning exercise has now been completed alongside analysis of support provided to carers over the past three years. The following table is a proposal for investments identified to meet carers support needs.

Carers Act	£'000	Description of Investment
Resources to support Young Carers	72	Permanently fund Young Carers Officer £52k and budget of £20k to provide funds to embed the strategy and provide funding to meet young carers needs
Carers UK project	3	Investment in a Digital Platform for Carers to access information and advice.
Carers Centre	60	The Carers Centre is ran by Unity Enterprise , this service was recommissioned this year, with additional investment more outreach services will be provided in various localities and Carers Centre will support Adult and Children's carers support plans. The new contract also includes support to carers at the Hospital.
Option 1 Direct Payments and Option 2 Individual Service Funds	325	Since 2020, there has been a 44% increase in service users using Individual Service Funds and Direct Payments to direct their care and an overall increase of £1.153m. These options provide service users and their families with more choice. In particular greater flexibility to meet the needs of carers, in offering alternatives to traditional building based respite care and day care. A review of care package information highlighted 28% of additional support or £325k relates to care provision to meet the needs of carers, particularly ageing carers supporting adult's with additional support needs.
Corporate Finance Resource	40	Finance resource to support the increase in above payments.
TOTAL	500	

4.14 Savings Targets

Savings targets of £0.267m remain from prior years, as noted in Appendix D.

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 22-23	Projected to be achieved	Balance Remaining
B	0.000	0.000	0.000	0.000
G	0.151	0.056	0.095	0.000
A	0.000	0.000	0.000	0.000
R	0.116	0.000	0.000	0.116
Total	0.267	0.056	0.095	0.116

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 pandemic this work was paused in 2020-21, 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.

4.15 Financial Risks

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

- 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, this is under constant review;
- Implementation of fair shares for the Set Aside budget, South Ayrshire are using more than their current NRAC share;
- Cost of living increases is impacting commissioned services, with uplifts agreed for 22-23 based on inflation as at September 21, increase in fuel and energy prices is proving a significant burden to commissioned services. This is a national issue and has been raised in national forums with COSLA and Scottish Government;

The above risks will continue to be monitored during the year through the budget monitoring process and operational performance reports. 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 December 2022

Table 1	2022/23				
	Integrated				
	Budget	Projected Outturn	Variance (Over)/ Underspend	Period 6 Variance	Movement from Prior Year Favourable / (Adverse)
	£'000	£'000	£'000	£'000	£'000
Older People	52,876	52,462	414	808	(394)
Physical Disabilities	3,979	4,031	(52)	(88)	36
Biggart Hospital	4,859	5,148	(289)	(230)	(59)
Girvan Hospital	1,437	1,471	(34)	(9)	(25)
Community Nursing	3,898	3,849	49	145	(96)
Intermediate Care and Rehabilitation	1,593	1,370	223	277	(54)
AHPs	8,012	7,069	943	713	230
Total Community Care & Health	76,654	75,400	1,254	1,616	(362)
C&F Social Work Services	22,825	21,412	1,413	1,596	(183)
Justice Services	(4)	(22)	18	0	18
Health Visiting	2,856	2,698	158	98	60
Total Children and Justice Services	25,677	24,088	1,589	1,694	(105)
Learning Disabilities	24,863	23,880	983	819	164
Mental Health Community Teams	7,209	7,092	117	(13)	130
Addictions	1,977	1,813	164	167	(3)
Total Mental Health Services	34,049	32,785	1,264	973	291
Directorate	8,756	6,789	1,967	1,104	863
Other Services	1,133	1,216	(83)	(396)	313
Payroll management target	(862)	(862)	0	0	0
Total Support Services	9,027	7,143	1,884	708	1,176
Integrated Care Fund/ Delayed Discharge	1,072	1,059	13	19	(6)
Scheme of Assistance	790	790	0	0	0
Inter Agency Payments	0	0	0	0	0
Prescribing	25,690	25,690	0	0	0
General Medical Services	18,881	18,834	47	0	47
Total Primary Care	44,571	44,524	47	0	47
Community Store	630	717	(87)	(103)	16
TEC	-	(7)	7	6	1
Family Nurse Partnership	2,090	2,042	48	49	(1)
Continence Team	444	544	(100)	(95)	(5)
Total Hosted Services	3,164	3,296	(132)	(143)	11
Debt Repayment	802	802	0	0	0
COVID Expenditure	11,666	11,666	0	0	0
PARTNERSHIP TOTAL	207,472	201,552	5,920	4,868	1,052
Recharges from other Partnerships	51,595	51,306	289	91	198
Recharges to other Partnerships	(2,180)	(2,270)	90	98	(8)
Acute Hospitals	28,311	28,311	0	0	0
IJB Core Budget Total	285,198	278,899	6,299	5,057	1,242

APPENDIX B

South Ayrshire Health & Social Care Partnership Financial Report as at 31st December 2022

Table 1	2022/23			2022/23			2022/23			Period 6 Variance	Movement from Prior Year Favourable /(Adverse)
	Council			NHS			Integrated				
	Budget	Projected Outturn	Variance (Over)/ Underspend	Budget	Projected Outturn	Variance (Over)/ Underspend	Budget	Projected Outturn	Variance (Over)/ Underspend		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Older People	52,876	52,462	414	0	0	0	52,876	52,462	414	808	(394)
Physical Disabilities	3,979	4,031	(52)	0	0	0	3,979	4,031	(52)	(88)	36
Biggart Hospital	0	0	0	4,859	5,148	(289)	4,859	5,148	(289)	(230)	(59)
Girvan Hospital	0	0	0	1,437	1,471	(34)	1,437	1,471	(34)	(9)	(25)
Community Nursing	0	0	0	3,898	3,849	49	3,898	3,849	49	145	(96)
Intermediate Care and Rehabilitation	0	0	0	1,593	1,370	223	1,593	1,370	223	277	(54)
AHPs	0	0	0	8,012	7,069	943	8,012	7,069	943	713	230
Total Community Care & Health	56,855	56,493	362	19,799	18,907	892	76,654	75,400	1,254	1,616	(362)
C&F Social Work Services	22,825	21,412	1,413	0	0	0	22,825	21,412	1,413	1,596	(183)
Justice Services	(4)	(22)	18	0	0	0	(4)	(22)	18	0	18
Health Visiting	0	0	0	2,856	2,698	158	2,856	2,698	158	98	60
Total Children and Justice Services	22,821	21,390	1,431	2,856	2,698	158	25,677	24,088	1,589	1,694	(105)
Learning Disabilities	24,388	23,507	881	475	373	102	24,863	23,880	983	819	164
Mental Health Community Teams	4,254	4,123	131	2,955	2,969	(14)	7,209	7,092	117	(13)	130
Addictions	838	838	0	1,139	975	164	1,977	1,813	164	167	(3)
Total Mental Health Services	29,480	28,468	1,012	4569	4317	252	34,049	32,785	1,264	973	291
Directorate	5,187	3,948	1,239	3,569	2,841	728	8,756	6,789	1,967	1,104	863
Other Services	1,133	1,216	(83)	0	0	0	1,133	1,216	(83)	(396)	313
Payroll management target	(862)	(862)	0	0	0	0	(862)	(862)	0	0	0
Total Support Services	5,458	4,302	1,156	3,569	2,841	728	9,027	7,143	1,884	708	1,176
Integrated Care Fund/ Delayed Discharge	387	388	(1)	685	671	14	1,072	1,059	13	19	(6)
Scheme of Assistance	790	790	0	0	0	0	790	790	0	0	0
Inter Agency Payments	(19,938)	(19,938)	0	19,938	19,938	0	0	0	0	0	0
Prescribing	0	0	0	25,690	25,690	0	25,690	25,690	0	0	0
General Medical Services	0	0	0	18,881	18,834	47	18,881	18,834	47	0	47
Total Primary Care	0	0	0	44,571	44,524	47	44,571	44,524	47	0	47
Community Store	0	0	0	630	717	(87)	630	717	(87)	(103)	16
TEC	0	0	0	0	(7)	7	-	(7)	7	6	1
Family Nurse Partnership	0	0	0	2,090	2,042	48	2,090	2,042	48	49	(1)
Continence Team	0	0	0	444	544	(100)	444	544	(100)	(95)	(5)
Total Hosted Services	0	0	0	3,164	3,296	(132)	3,164	3,296	(132)	(143)	11
Debt Repayment	802	802	0	0	0	0	802	802	0	0	0
COVID Expenditure	11,666	11,666	0	0	0	0	11,666	11,666	0	0	0
PARTNERSHIP TOTAL	108,321	104,361	3,960	99,151	97,192	1,960	207,472	201,552	5,920	4,868	1,052
Recharges from other Partnerships				51,595	51,306	289	51,595	51,306	289	91	198
Recharges to other Partnerships				(2,180)	(2,270)	90	(2,180)	(2,270)	90	98	(8)
Acute Hospitals				28,311	28,311	0	28,311	28,311	0	0	0
IJB Core Budget Total	108,321	104,361	3,960	176,877	174,539	2,339	285,198	278,899	6,299	5,057	1,242

APPENDIX C PARTNERHSIP BUDGET MOVEMENTS

Council	Permanent or Temporary	£'000
Approved Budget		91,479
Aids and Adaptations		790
Transferred from Reserves:-		
ADP	502	
Covid- 19 Remobilisation	11,666	
Covid-19 C&F MH and Wellbeing	47	
Community Living Fund	410	
Training SVQ	72	
Adoption Orders Delayed	200	
Fostering - Advertising for Carers	17	
Community Care Assistant Post in Reablement Team	88	
Mobile Attendants additional resource	27	
SG Care at Home Additional Capacity	1,554	
Whole Family Wellbeing Funding	63	
Mental Health Officer Additional Capacity Funding	57	
Unaccompanied Asylum Seeking Children National Transfer Scheme	11	
SG Interim Care Funding	760	
Carefirst Finance Project Officer to 31st March 23	53	
SDS Support Officer to 31st March 23	53	
Children and Families Belmont First Project	57	
Champions Board extension of staff to 31st March 23	10	
The Promise extension of posts to 31st March 23	30	
Legal Costs incurred for Historic Child Abuse Inquiry	50	
Four WTE Occupational Therapy Assistants to focus on Unmet Need	0	
Microenterprise Pilot	0	
Total Transferred from Reserves		15,727
Mediation Officer YPST		30
Signs of Safety		4
Belmont First Project		47
Insurance Budgets		15
Overmills Janitor		(11)
Janitors Childrens Houses		71
Social Security Learning Disability		71
ELT 409 Temp CAH Recruitment Advisor		(32)
To Housing ASC uplift		(10)
Insurance Budget Allocation		135
P1 to P6 Insurance Recharge		5
Budget as at Period 9		108,321

<u>NHS</u>	Permanent or Temporary	£'000
Approved Budget		98,252
Set Aside	T	28,311
Lead Partnerships	P	49,415
Lead Partnership 22/23 Budget allocations	P	(162)
Resource Transfer Ailsa	P	46
Funding for Hospital at Home/Urgent Scheduled Care	T	(1,124)
AHP Clinical Admin Budget Transfer	P	(188)
Prescribing uplift/cres	T	403
BBV / Public Health Funding	T	138
ADP Funding to North PSST Support	T	8
Community Store to DEL	T	(350)
Drug Tariff Reduction	T	(263)
Medical&Dental Pay Award	P	2
MDT	P	750
Pulmonary Rehab physio Funding	P	(23)
Podiatry from East	P	14
AHP Clinical Admin back from North	P	21
District Nurse Funding	P	12
ADP	T	159
Prescribing Uplift	T	1,469
NSAIS Contribution	T	(11)
Budget as at Period 9		176,877

APPENDIX D SAVINGS SCHEDULE

	£			£	£	£		
Saving Title	Partner	Approved	BRAG Status	Efficiencies	Achieved 22/23	Further achievement projected	Balance remaining	Comments
LD Day Services	SAC	2019-20	G	(55,900)	(55,900)	0	0	Prior Year Saving Ongoing - met on temp basis this year
Day care charging	SAC	2019-20	R	(116,000)	0	0	(116,000)	Not implemented - on hold awaiting the outcome of the Scottish Government recommendation to remove community charges.
Cunningham Place Children's House Development	SAC	2021-22	G	(95,000)		(95,000)	0	Due to Covid works on the house have been delayed, savings anticipated to be made through reduction in one residential placement.
Prior Year Efficiencies				(266,900)	(55,900)	(95,000)	(116,000)	

APPENDIX E CARE AT HOME ACTIVITY



