

## **REPORT TO ABERDEENSHIRE INTEGRATION JOINT BOARD 3<sup>rd</sup> FEBRUARY 2021**

### **FINANCE UPDATE AS AT DECEMBER 2020**

#### **1 Recommendation**

**It is recommended that the Integration Joint Board (IJB):**

- 1.1 Consider and comment on the financial position set out in the report at 7.3 & 7.10 and Appendices 1 & 2;**
- 1.2 Approve the budget adjustments detailed in Appendix 3;**
- 1.3 Consider the progress towards achieving the savings programme in Appendix 4; and**
- 1.4 Consider the update provided on the 2021/22 budget position for the IJB.**

#### **2 Directions**

- 2.1 No direction requires to be issued to Aberdeenshire Council or NHS Grampian as a result of this report.**

#### **3 Risk**

- 3.1 IJB Risk 1 Sufficiency and affordability of resource.**
- 3.2 This report is key to managing this risk as it highlights areas of movement when compared to the agreed budget. In a number of instances actions are required to address the forecast movement from budget, with initial discussions taking place at the Senior Management Team to agree any action to be taken.**

#### **4 Background**

- 4.1 This report provides the fourth financial monitoring update for the 2020/21 financial year. It covers the nine month period up to the end of December 2020 and provides an updated forecast position for the year as a whole. It also provides an indication of the financial impact of the Covid 19 pandemic on the resources of the IJB, the work that is being undertaken to address the challenges and prepare for the renewal phase of services together with the impact of providing services over the winter period.**

## 5 Financial Implications from 2019/20

- 5.1 In the last financial year the IJB recorded an overspend against revenue budget of £5.621 million. This position was covered by additional funding being received from both Partners (Aberdeenshire Council and NHS Grampian).
- 5.2 The IJB revenue budget for the 2020/21 financial year was agreed in March 2020 by the IJB. A balanced budget was set which matched the total resources available to the IJB with planned expenditure. An agreed savings plan of £5.5 million was included in the budget, which was a much larger savings challenge than previously achieved by the IJB. Several risks were noted around the deliverability of the savings programme.
- 5.3 The strengths of the partnership and integration between the IJB, NHS Grampian and Aberdeenshire Council is important as actions taken by the IJB can impact on the costs of partners in other areas. The balance between positive operational outcomes and constrained financial resources will continue to be discussed to achieve the most beneficial position for all partners.
- 5.4 The IJB holds no general reserves.

## 6. Covid 19 Impact

- 6.1 The Covid 19 pandemic has had a financial impact on the IJB in a number of areas during the year to date. Firstly additional costs have been incurred in terms of mobilising and redeploying resources in response to the initial outbreak. Significant additional costs have been incurred in terms of purchase of PPE, sustainability payments to meet the extra costs incurred by social care providers and extra staffing across many service areas. Secondly, additional costs have been incurred as services that were paused start to operate again. An example would be the resources needed to support Operation Homefirst to maximise the amount of care delivered in non-hospital settings. Thirdly there has been loss of income due to the delay in applying charging increases and lower occupancy of our Residential Care Homes. Fourthly we have seen some reduction in costs as the result of pausing of services. Examples are lower usage of bank staff in community hospitals and savings on travel costs.
- 6.2 The redeployment of resources and management effort to respond to Covid 19 has also had an impact on the ability of services to achieve the savings programme that was agreed as part of the original budget set in March. Management effort has understandably been focussed on dealing with the operational impact of Covid 19. Further details of the IJB savings programme are given in Section 8 of this report.
- 6.3 The additional costs associated with Covid have stabilised over recent months but significant costs are still being incurred in reimbursing social care

providers for the extra costs they are incurring with support in this area now being extended for the full financial year.

- 6.4 Costs incurred to deliver the Covid Vaccination Programme across Aberdeenshire are being charged directly to NHS Grampian budgets, and so will not impact on the HSCP's financial position this year.
- 6.5 The Scottish Government has allocated additional funding to meet Covid costs with funding of £12.0 million received to the end of December. It is expected that further funding allocations will be made in January 2021.
- 6.6 Projected costs for Aberdeenshire for the financial year are currently £14.8 million. This comprises £11.8 million of additional costs and £3.0 million of unmet savings. These projections are still subject to a high degree of uncertainty and will be refined during the last quarter of the year. The largest area of uncertainty relates to the level of payments that will need to be made to meet the additional Covid costs of social care providers, where some providers have yet to submit claims for periods earlier in the year.
- 6.7 It is estimated that in the first nine months of the financial year additional costs of £10.98 million have been incurred in responding to Covid. Main cost areas have been on PPE (£1.1 million), additional payments made to GPs (£0.8 million), support payments to social care providers (£1.9 million), social care spend to facilitate reduction in delayed discharges (£1.0 million), loss of income (£0.6 million), GP Prescribing costs (£0.3 million), additional staffing costs (£1.3 million) and unmet savings (£2.3 million).
- 6.8 For the purposes of reporting the financial position of the IJB for this report, the Covid costs and non-achievement of savings outlined above have been excluded from the analysis on the basis that full funding to cover these costs will be provided by the Scottish Government. The tables in section 7.3 and 7.10 therefore cover the underlying budgets of the IJB.

## 7. Current Financial Position & Forecast for the Year

- 7.1 This is the fourth financial monitoring report to the IJB for the 2020/21 financial year. This report covers the financial position for the nine months to the end of December 2020 compared to the agreed budget set in March 2020, adjusted for any agreed budget movements since the start of the year.
- 7.2 The focus for the Senior Management Team continues to be on delivering a balanced financial year end position as at 31<sup>st</sup> March 2021. At this stage of the financial year, there remains a degree of estimation involved in projecting expenditure levels for the last quarter given the impact of Covid 19.
- 7.3 A summary position is shown in the table below with more detail in Appendix 1. This shows actual net expenditure to the end of December 2020 against budget for the same period:

### Summary: December 2020/21 Financial Position

	Revised Year to Date Budget 2020/21 £000's	Actual to 31st December 2020 £000's	Variance to 31 <sup>st</sup> December 2020 £000s	Variance %
Health & Social Care	241,188	239,556	(1,632)	(0.68)
Funds	2,850	1,788	(1,062)	(37.26)
Set aside budget	22,714	22,714	0	-
<b>2020/21 Position</b>	<b>266,752</b>	<b>264,058</b>	<b>(2,694)</b>	<b>(1.01)</b>

7.4 From the summary table it can be seen that:

- There is an underspend of £2.694 million at the end of December, equating to 1.0% of the IJB budget.
- Health budgets are showing an underspend of £0.469 million for the year to date.
- Social care budgets are showing an underspend of £1.163 million for the year to date.
- Funds are showing an underspend of £1.062 million for the year to date.
- The financial position continues to show an improvement compared to the same point in the 2019/20 financial year.

7.5 These figures do not include any additional costs of dealing with Covid which are outlined in Section 6 above.

7.6 The year to date underspend is due to a number of factors which have emerged since the beginning of April. These factors include a continued lower level of demand for some social care services, continued savings on community hospital costs due to reduced capacity and savings on travel related expenditure. The pattern of underspend seen in the last quarter is consistent with earlier in the year. A number of funding allocations have also been recently received from the Scottish Government which will not be fully spent this year, with slippage on these adding to the underspend position.

7.7 The underspend needs to be viewed in the context that it covers the period from April - December where we know that demand and provision for a number of residential social care, primary care and community hospital services were all reduced because of the impact of the lockdown arrangements and wider Covid 19 risks.

7.8 Health service budgets are showing an underspend of £469k at the end of December. There are underspends on Community Hospitals (budget realignment and savings on bank staff), Hosted Services (underspends on the Intermediate Care Service, and the Forensic Medical Examiner Service) and Health Visiting (vacant posts). There are still a number of areas of budget pressure with the major ones being:

- Community Mental Health (overspend of £903k) – continuing high levels of medical locum costs.

- Out of Area Placements (overspend of £566k) – reduced level of overspend compared to last year but still overspending against budget due to a small number of high cost placements.
- GP Prescribing (overspend of £428k) – Year to date figures show a higher average price than was built into the budget. Position has stabilized in the last couple of months with volumes continuing to be lower than at the same period last year. Scottish Government have also provided some additional funding to meet the price increases of two drugs where the increases have been agreed as being due to the impact of Covid.

7.9 Social Care budgets are showing an underspend of £1.163 million at the end of December. We are continuing to see an underspend on Older People’s Care Management as the number of residential care home placements has fallen since the end of March and care at home hours have also experienced a fall in activity. There are also underspends on Adult Services Day Care, Mental Health and Substance Misuse. The main pressure area continues to be on Adult Services Community Care reflecting the continuing level of high cost packages including transitions from Children’s Services.

7.10 The forecast for the year has been updated based on the December results and is shown in the table below:

**Summary: Forecast for the Financial Year as At December 2020**

	Revised Budget 2020/21 £000’s	Forecast 2020/21 £000’s	Forecast Variance 2020/21 £000s	Forecast Variance %
Health & Social Care	318,186	316,772	(1,414)	(0.44)
Funds	4,257	2,605	(1,652)	(38.81)
Set aside budget	30,285	30,285	0	-
<b>2020/21 Position</b>	<b>352,728</b>	<b>349,662</b>	<b>(3,066)</b>	<b>(0.87)</b>

7.11 From the summary table it can be seen that:

- An underspend of £3.066 million is being forecast for the year, equating to 0.9% of the IJB budget.
- Health budgets are forecast to underspend by £0.016 million for the year, mainly due to the impact of increasing GP Prescribing costs and Out of Area referrals in the last quarter.
- Social care budgets are forecast to underspend by £1.398 million for the year.
- Funds are forecast to underspend by £1.652 million for the year.

7.12 The forecast underspend has improved by £1.7 million compared to the previous forecast prepared in October. The areas that have led to the improvement of the forecast position compared to October are:

- Funds. The forecast position has improved by £1.1 million compared to October. A number of funding allocations have recently been received from the Scottish Government which will not be fully spent this year. The slippage on these allocations contributes to the financial position.

- GP Prescribing costs. The forecast position has improved by £0.9 million compared to October. Volumes have reduced over the last couple of months and are now 4.25% below the same period in 2019/20. Scottish Government funding has also been received to meet the cost increases of two drugs which have been agreed as being linked to Covid.

7.13 The budget virements proposed for approval at Appendix 3 also include reconciliations to the revised budget. The revised budget is, therefore, subject to the approval of the virements.

7.14 At this stage of the financial year there are a number of significant financial risks which we are aware of and which will need to be managed as the year progresses:

- **GP Prescribing Costs** – these costs are always two months in arrears so we currently have only seven months of actual data for the 2020/21 financial year. There is a risk that costs may increase for the remainder of the financial year.
- **Providers' Invoices** – a number of Social Care Providers are behind in issuing invoices. We have made estimates of the level of charges that will be received but our estimates may be higher or lower than the eventual charges.

## 8 Proposed Budget Savings

8.1 The IJB agreed a savings programme of £5.5 million as part of the revenue budget for 2020/21. For the year to date work on delivering the savings programme has been largely paused, and funding for this will be claimed from the Scottish Government's Covid funding.

8.2 The Senior Management Team have assessed progress against the planned savings programme and plan to restart a number of the schemes as capacity allows. There have also been a number of windfall savings achieved for the year to date which were not part of the original planned programme. Details of savings areas and forecast achievement are attached at appendix 4. Whilst some of the planned savings schemes have been completed or are on track for achievement there are a number which are now not likely to progress as planned. We now estimate that savings of circa £2.5 million can be achieved this year.

8.3 The difference between the original planned savings total and the revised amount will be claimed from Scottish Government Covid funding.

## 9 Areas of Pressure and Capacity

9.1 The financial position in this report has been discussed with partners so that they are also aware of the current spending position and areas of pressure and capacity to enable them to plan and accommodate any implications within their financial statements.

## 10 Revenue Budget 2021/22

- 10.1 The Scottish Government has confirmed that it will announce its revenue budget on the 28<sup>th</sup> January. The HSCP will then have a much clearer indication of the funding levels available for 2021/22.
- 10.2 At this stage, key assumptions around funding (e.g. contributions from NHS Grampian and Aberdeenshire Council) and expenditure uplifts (staff pay awards and uplifts for social care providers) are not known.
- 10.3 The overall projected position has not changed significantly from the report presented to the December meeting of the IJB which highlighted a potential gap of £8.7 million (2.6%) between projected funding and projected expenditure. This figure does not include any funding increase which may be agreed by Aberdeenshire Council. The eventual gap between projected funding and projected expenditure will need to be bridged by the 2021/22 savings programme.
- 10.4 A draft budget is being prepared to take account of new resources, new pressures and budget realignment. We are making a planning assumption that as for this year, additional Covid related costs will again be separately funded by the Scottish Government. At present, the draft financial plan for 2021/22 does not demonstrate a balanced position with a level of savings still to be identified.
- 10.5 The draft budget will be presented to the IJB in March for formal approval but updates on the projected position will be provided to IJB members before the March, meeting once the details of the Scottish Government budget and funding contributions from partners become known.

## 11 Monitoring

- 11.1 The Chief Officer, along with the Chief Finance Officer and the Legal Monitoring Officers within Business Services of the Council have been consulted in the preparation of this report and their comments have been incorporated within the report.

## 11 Equalities, Staffing and Financial Implications

- 11.1 An equality impact assessment is not required because the recommended actions are not considered to have a differential impact on people with protected characteristics.
- 11.2 Any staffing and financial implications arising directly as a result of this report are narrated in the report.

**Alan Sharp**  
**Chief Finance Officer**  
**Aberdeenshire Health and Social Care Partnership**

Report prepared by Alan Sharp (Chief Finance Officer) Date 19<sup>th</sup> January 2021

Health & Social Care		ACTUAL 2019/20 £'000	REVISED BUDGET 2020/21 AS AT 30/9/20 £'000	BUDGET ADDNS/ DEDNS 2020/21 £'000	BUDGET VIREMENTS 2020/21 £'000	REVISED BUDGET 2020/21 AS AT 31/12/20 £'000	YTD REVISED BUDGET 2020/21 AS AT 31/12/20 £'000	ACTUAL TO 31/12/2020 £'000	VARIANCE TO END DEC 2020/21 £'000	FORECAST 2020/21 AS AT END DEC £'000	FORECAST VARIANCE 2020/21 £'000	NOTES
<b>NHSG Core Services</b>												
a)	Alcohol & Drugs Partnership	1,621	1,839	63	0	1,901	1,229	1,181	(49)	1,846	(55)	
b)	Allied Health Professionals	8,399	8,701	15	534	9,250	7,280	7,063	(218)	9,151	(98)	A
c)	Joint Equipment Service	644	688	0	0	688	516	368	(148)	491	(197)	B
d)	Community Hospitals	18,251	18,412	7	0	18,419	13,818	12,745	(1073)	17,091	(1,329)	C
e)	Inverurie HUB project	1,228	1,323	0	0	1,323	992	988	(4)	1,363	40	
f)	Shire Community Mental Health	784	890	(0)	0	890	667	612	(55)	829	(61)	
g)	Dental	2,669	2,707	17	0	2,724	2,030	2,003	(28)	2,687	(37)	
h)	District Nursing	4,837	5,063	(0)	0	5,063	3,798	3,916	118	5,214	150	D
i)	Health Centres Management	(436)	(617)	(0)	27	(591)	(434)	(364)	70	497	94	
j)	Health Visiting	4,822	5,320	(0)	283	5,603	4,219	4,018	(200)	5,323	(280)	E
k)	Other Direct Patient Care	1,696	1,410	5	204	1,619	1,340	1,276	(63)	1,505	(113)	
l)	Public Health	561	780	0	0	780	603	555	(49)	729	(51)	
m)	Specialist Nursing	424	388	0	0	388	291	300	10	393	6	
n)	Support Services	3,706	3,278	13	(28)	3,263	2,447	2,389	(58)	3,263	(1)	
1	<b>NHSG Core Services Total</b>	<b>49,206</b>	<b>50,182</b>	<b>120</b>	<b>1,020</b>	<b>51,322</b>	<b>38,796</b>	<b>37,050</b>	<b>(1,746)</b>	<b>49,390</b>	<b>(1,932)</b>	
2	Primary Care	41,376	40,297	2,103	(17)	42,384	31,802	31,796	(6)	42,413	29	
3	GP Prescribing	44,623	43,868	(1,104)	437	43,201	32,620	33,048	428	43,801	600	F
4	Community Mental Health	8,758	8,097	163	483	8,744	6,648	7,551	903	9,923	1,179	G
5	Aberdeenshire Share of Hosted Services	15,638	15,776	6	0	15,781	11,828	11,215	(613)	15,004	(777)	H
6	Services Hosted by Aberdeenshire	0	0	0	0	(0)	(0)	0	0	0	0	
7	Out Of Area	2,600	1,669	0	791	2,460	1,980	2,546	566	3,344	884	I
	<b>TOTAL OF ABOVE</b>	<b>162,202</b>	<b>159,889</b>	<b>1,288</b>	<b>2,714</b>	<b>163,892</b>	<b>123,675</b>	<b>123,206</b>	<b>(469)</b>	<b>163,876</b>	<b>(16)</b>	
8	IJB Costs	100	95			95	71	71	0	95	0	
9	Headquarters	1,763	1,978	5,621		7,599	7,122	7,085	(37)	7,547	(52)	
10	Business Services	4,121	4,174	152		4,326	3,285	3,227	(58)	4,249	(77)	
11	Out of Hours Service	215	225			225	169	169	0	225	0	
12	Criminal Justice Service - Grant Funded Services	24	50			50	44	44	0	50	0	
13	Criminal Justice Service - Prison Social Work	2	0			0	0	0	0	0	0	
14	Adult Services - Community Care	41,555	42,022	208		42,230	31,733	32,421	688	43,287	1,057	J
15	Adult Services - Day Care	5,989	6,329			6,329	4,838	4,316	(522)	5,633	(696)	K
16	Adult Services - Residential Care	2,063	1,888			1,888	1,479	1,406	(73)	1,788	(100)	
17	Adult Services - Employment Development	561	523			523	394	352	(42)	466	(57)	
18	Adult Services - Mental Health	5,082	5,640			5,640	4,224	3,796	(428)	5,067	(573)	L
19	Adult Services - Substance Misuse	1,377	1,685			1,685	1,268	1,052	(216)	1,410	(275)	M
20	Physical Disabilities - Community Occupational Therapy Service	4,503	4,257			4,257	3,003	2,960	(43)	4,197	(60)	
21	Physical Disabilities - Joint Equipment Service	(938)	(557)			(557)	(399)	(399)	0	(557)	0	
22	Specialist Services & Strategy	1,687	2,056			2,056	1,544	1,544	0	2,056	0	
23	Adult Support Network	259	286			286	215	215	0	286	0	
24	Older People - Care Management	48,314	49,099	282		49,381	37,118	36,508	(610)	48,579	(802)	N
25	Integrated Care Fund /Participatory Budgeting	(60)	0			0	0	0	0	0	0	
26	Older People - Day Care	827	754			754	558	536	(22)	724	(30)	
27	Older People - Home Care	14,443	14,469			14,469	10,875	10,933	58	14,549	80	
28	Older People - Residential Care	8,975	8,801			8,801	6,647	6,724	77	8,903	102	
29	Older People - Very Sheltered Housing	4,233	4,257			4,257	3,325	3,390	65	4,342	85	
	<b>Funds</b>	<b>145,095</b>	<b>148,031</b>	<b>6,263</b>	<b>0</b>	<b>154,294</b>	<b>117,513</b>	<b>116,350</b>	<b>(1,163)</b>	<b>152,896</b>	<b>(1,398)</b>	
30	Integrated Care Fund	1,007	1,300	0	0	1,300	975	365	(610)	798	(502)	O
31	Delayed Discharge	11	114	0	0	114	86	11	(75)	15	(99)	
32	Clan Grant	7	7	0	0	7	0	7	7	7	0	
33	Primary Care Improvement fund	(1,119)	976	1,402	(893)	1,485	1,114	1,114	0	1,485	0	
34	Six Essential Actions Unscheduled Care Funding	(3)	0	0	0	0	0	0	0	0	0	
35	Mental Health Access Fund	0	0	145	(50)	95			0	50	(46)	
36	Mental Health Innovation Fund	0	0	85	0	85			0	21	(64)	
35	Mental Health Action 15	(169)	572	0	(434)	138	104	104	0	138	0	
36	Shire Out of Hours Funding	0	0	212	0	212	159		(159)	0	(212)	
37	GP Premises Funding	0	276	0	0	276			0	276	0	
36	Test of Change Funding	6	0	0	0	0			0	0	0	
37	Covid-19	49	0	1,471	(1,228)	243	187	187	0	243	0	
38	Funding to improve services for sexual assault victims			144		144	108		(108)	40	(104)	P
39	Additional Scottish Government Funding in Year Assumed	0	157	110	(110)	157	118	0	(118)	(469)	(626)	
		<b>(212)</b>	<b>3,402</b>	<b>3,570</b>	<b>(2,714)</b>	<b>4,257</b>	<b>2,850</b>	<b>1,788</b>	<b>(1,063)</b>	<b>2,605</b>	<b>(1,653)</b>	
	<b>Sub total</b>	<b>307,085</b>	<b>311,322</b>	<b>11,121</b>	<b>0</b>	<b>322,443</b>	<b>244,038</b>	<b>241,344</b>	<b>(2,695)</b>	<b>319,376</b>	<b>(3,067)</b>	
40	Set Aside Budget	30,385	30,285		0	30,285	22,714	22,714	0	30,285	0	
	<b>2019/20 Position</b>	<b>337,470</b>	<b>341,607</b>	<b>11,121</b>	<b>0</b>	<b>352,728</b>	<b>266,752</b>	<b>264,057</b>	<b>(2,695)</b>	<b>349,661</b>	<b>(3,067)</b>	



Variance Notes December 2020

<u>Note</u>	<u>Service</u>	<u>Over/(within) budget as at end December 2020 £'000</u>	<u>Narrative</u>
A	Allied Health Professionals	(218)	<b>Allied Health Professionals underspend £(218,000)</b> The Speech and Language Therapy, Physiotherapy, Occupational Therapy and Podiatry services have been operating with vacancies during 2020/21.
B	Joint Equipment Service	(148)	<b>Joint Equipment Service underspend £(148,000)</b> A slow down in Acute Sector elective activity as a result of Covid-19 (fewer hip replacements etc) has resulted in a reduction in equipment prescribed to patients being discharged home.
C	Community Hospitals	(1,073)	<b>Community Hospitals underspend £(1,073,000)</b> Staffing contributes approximately £842,000 to the underspend and supplies contributes £237,000 but this includes the effect of three wards being currently closed and staff redeployed to support teams across Aberdeenshire. Work continues to reduce the level of bank and agency nursing staff needed in the wards and teams but ward closures have reduced the need to deploy these staff. There was an adverse variance against against the target for income of approximately £6,000 to the end of December.
D	District Nursing	118	<b>District Nursing overspend £118,000</b> Staffing numbers were, on average, 2.09 wte under establishment during the April to December period, generating an underspend of approximately £81,000. However, this was more than offset by over spending on supplies, possibly a result of more patients being treated at home whilst awaiting elective hospital treatments, delayed as a result of the Covid-19 pandemic.
E	Health Visiting	(200)	<b>Health Visiting underspend £(200,000)</b> Staffing contributes approximately £137,000 to the underspend due to the numbers in post having been below the budgeted establishment during the nine months to the end of December. There was an underspend against supplies budgets of approximately £48,000, reflective of there having been fewer staff in post than were budgeted for. There was an over recovery of income relative to the target of approximately £15,000.

<u>Note</u>	<u>Service</u>	<u>Over/(within) budget as at end December 2020</u>	<u>Narrative</u>
F	GP Prescribing	428	<p><b>GP Prescribing overspend £428,000</b></p> <p>Whilst there has been a reduction in prescribing volume relative to the same point during last financial year, this had been more than offset by an increase in the average price of items prescribed. This has partly been driven by some commonly prescribed drugs going on to what is known as "short supply". This price volatility makes prediction difficult, so it is quite possible that the position could deteriorate further in future months.</p>
G	Community Mental Health	903	<p><b>Community Mental Health overspend £903,000</b></p> <p>The need to employ locum medical staff was the primary driver behind this overspend, with there having been unbudgeted expenditure on locums of £1,257,000 during the period. This was partially offset by an underspend against substantive medical posts of £391,000. If locum usage can be brought down during the remainder of the financial year, the position can be expected to improve. The overspend against the budget for medical staffing during the period was partially offset by underspends against transport and administration budgets.</p>
H	Aberdeenshire Share of Hosted Services	(613)	<p><b>Aberdeenshire Share of Hosted Services underspend £(613,000)</b></p> <p>The primary drivers of the underspend during the period included Intermediate Care, hosted by Aberdeen City H&amp;SCP, £457,000 and the Forensic Medical Examiner Service, hosted by Aberdeenshire H&amp;SCP £144,000. The Aberdeenshire H&amp;SCP budget for the Intermediate Care Service was increased as part of budget setting as this was an area of financial pressure during 2019/20, the service having over spent during the year with a consequent impact on the recharge to Aberdeenshire. To date during 2020/21, this service has operated within its own budget, having underspent by £57k during the period to the end of December. Similarly, NHS Grampian injected funding into the forensic Medical Examiner Service at the beginning of this financial year in order to help the service to meet the demands placed upon it. However, so far this year, the pattern of spend has been broadly in line with that seen last year.</p>

<u>Note</u>	<u>Service</u>	<u>Over/(within) budget as at end December 2020</u>	<u>Narrative</u>
I	Out Of Area	566	<p><b>Out of Area overspend £566,000</b></p> <p>The bulk of this overspend was incurred against the individual placement budget for mental health, learning disability and acquired brain injury patients. This is an area of financial volatility because individual placements, often charged for on a per day basis, can be very costly. Consequently, small changes in patient numbers can have a large impact on the position. The current position includes the costs of caring for a patient who may be placed at Rampton Hospital at a future date. If this happens, the placement will attract national funding, which will alleviate the pressure on the Aberdeenshire out of area budget.</p>
J	Adult Services - Community Care	688	<p><b>Adult Services Community Care overspend £688,000</b></p> <p><b>Client Care Packages</b> are currently over budget.</p> <p>The forecast includes a proportion of the full year estimate in respect of Young People transitioning into Adult Services and new clients seeking a service that is expected to impact later in the year.</p> <p>All care packages continue to be reviewed.</p>
K	Adult Services - Day Care	(522)	<p><b>Adult Day Services underspend £(522,000)</b></p> <p>Due to the closure of the Day Centres as a result of Covid 19, there are savings on most budget lines.</p>
L	Adult Services - Mental Health	(428)	<p><b>Adult Services Mental Health underspend £(428,000)</b></p> <p><b>Payments to Third Sector</b> are underspent to date in 2020/21. Payments to a number of organisation were stopped in 2019/20 with a view to redesigning services for this client group.</p> <p><b>Client Care Packages</b> are also underspent as a gradual shift towards more community based services begins to evolve.</p>
M	Adult Services - Substance Misue	(216)	<p><b>Adult Services Substance Misuse underspend £(216,000)</b></p> <p>With the reduction in clients being placed in Day Care and Residential Care due to the Covid 19 pandemic, the service is forecasting an underspend this year.</p>
N	Older People - Care Management	(610)	<p><b>Older People - Care Management underspend £(610,000)</b></p> <p>With the reduction in clients being placed in vacant beds due to the Covid 19 pandemic, there is a resultant underspend on Older People Care Management.</p>

<u>Note</u>	<u>Service</u>	<b>Over/(within) budget as at end December 2020</b>	<u>Narrative</u>
O	Integrated Care Fund	(610)	<b>Integrated Care Fund underspend £(610,000)</b> This underspend reflects the current under commitment of integrated Care fund monies.
P	Funding to improve services for sexual assault victims	(108)	<b>Funding to improve services for sexual assault victims £(108,000)</b>  Funding to improve services for sexual assault victims is underspent as a payment to Grampian Rape Crisis will not be made until later this year and recruitment to posts financed by this funding, whilst under way, has not happened yet.

SUMMARY OF ADDITIONS TO AND DEDUCTIONS FROM THE REVENUE BUDGET OF THE INTEGRATED JOINT BOARD DURING OCTOBER, NOVEMBER AND DECEMBER 2020

	NHS Grampian			Aberdeenshire Council					Total
	£ Full year effects of recurring 2020/21 budget adjustments	£		£ Total	£		£ Total	£	
		Recurring	Non- Recurring		Recurring	Non- Recurring			
<b>Funding as at the 30th of September 2020 for AH&amp;SCP provided services as reported to the IJB</b>				198,197,557			117,014,000	315,211,557	
Drug Death Task Force funding		62,929							
<b>Sub total ADP</b>				62,929				62,929	
Healthy Futures Diabetes funding		14,324							
Major trauma support funding		550							
<b>Sub total AHP</b>				14,874				14,874	
New Medicines Fund funding		2,449							
HNC funding November 2020		4000							
Funding for plasma products		1,046							
<b>Sub total Community Hospitals</b>				7,495				7,495	
Dental priority groups funding		16,700.00							
<b>Sub total Dental</b>				16,700				16,700	
School nurse funding	(73,600)								
<b>Sub Total Health Visiting</b>				0				0	
Open University funding		5,000							
<b>Sub Total Other Direct Patient Care</b>				5,000				5,000	
Health and Care Staffing Scotland funding		13,137							
<b>Sub total Support Services</b>				13,137				13,137	
Global sum uplift	1,230,526	1,230,526							
Meningitis B funding		11,634							
Rotavirus funding		8,202.06							
Shingles funding		4,000.19							
Covid-19 allocation October 2020		849,057							
<b>Sub total Primary Care</b>				2,103,419				2,103,419	
Prescribing tariff reduction	(986,711)	(986,711)							
Global sum adjustment			(117,121)						
<b>Sub total Prescribing</b>				(1,103,832)				(1,103,832)	
Mental Health Act funding		163,147.04							
<b>Sub total Mental Health</b>				163,147				163,147	
Funding for inward recharges of hosted services	22,815.00	22,815.00	(17,291)						
<b>Sub total Inward Recharges of Hosted Services</b>				5,524				5,524	
Primary Care out of hours funding		212,178							
SG funding to improve services for sexual assault victims		144,165							
Mental Health Access (capacity building) funding		145,221							
Mental Health Innovation funding		84,961							
Second tranche of school nurse funding 2020/21		110,400							
Covid-19 funding allocation 2		3,693,000							
Primary Care Improvement Fund 2nd tranche		1,401,896							
<b>Sub total Funds</b>				5,791,821				5,791,821	
Transferred from ICT for Licences					151,500		151,500	151,500	
<b>Overall Revised Budget as at 31 December 2020</b>	193,031	266,631	6,813,583	205,277,771	151,500	0	117,165,500	322,443,271	
<b>Represented by:</b>									
NHS Grampian Core Services				51,321,568				51,321,568	
Primary Care				42,383,710				42,383,710	
Prescribing				43,201,217				43,201,217	
Community Mental Health				8,743,692				8,743,692	
Aberdeenshire Share of Hosted Services				15,781,402				15,781,402	
Out of area services				2,460,123				2,460,123	
Partnership Funds				4,257,382				4,257,382	
Resource transfer to Aberdeenshire Council (included in Council reporting lines)				12,824,869				12,824,869	
Social Care funding transferred to Council (included in Council reporting lines)				13,384,000				13,384,000	
Veterans' funding transferred to Council (included in Council reporting lines)				200,525				200,525	
Mainstreamed Integrated Care Fund (included in Council reporting lines)				549,000				549,000	
Mainstreamed Delayed Discharge (included in Council reporting lines)				1,009,000				1,009,000	
Covid-19 funding (included in Council reporting lines)				5,621,000				5,621,000	
Scottish living wage funding (included in Council reporting lines)				489,939				489,939	
Council Social Care Funding							154,294,000	154,294,000	
Resource transfer From NHS Grampian (included in Council reporting lines)							(12,824,869)	(12,824,869)	
Social Care funding From NHS Grampian (included in Council reporting lines)							(13,384,000)	(13,384,000)	
Veterans' funding from NHS Grampian (included in Council reporting lines)							(200,525)	(200,525)	
Mainstreamed Integrated Care Fund (included in Council reporting lines)							(549,000)	(549,000)	
Mainstreamed Delayed Discharge (included in Council reporting lines)							(1,009,000)	(1,009,000)	
Covid-19 funding (included in Council reporting lines)							(5,621,000)	(5,621,000)	
Scottish living wage funding (included in Council reporting lines)							(489,939)	(489,939)	
Contra				3,050,345			(3,050,345)	0	
Rounding				0			0	0	
				205,277,771			117,165,322	322,443,093	
<b>Set Aside Budget</b>								30,285,000	
								352,728,093	

## Aberdeenshire HSCP - Savings Plan 2020/21

Ref	Theme	Area	Initiatives	Savings 2020/21	Forecast Savings 2020/21
				£k	£k
1	Transforming the Workforce	Payroll Costs	Reduced use of high cost locum & agency staff / Increased scrutiny of vacancies / Redesign of hard to fill posts	1485	500
2	Focus on The Frontline	Admin Review	Implementation of Locality Based model for Admin Review with removal of savings / Review of Support Services budgets.	400	300
3	Shifting the Balance of Care	Community Hospitals	Transformational review of Aberdeenshire Community Hospitals to inform strategic direction for longer term use of community hospital estate	270	270
4	Managing Demand	Social Care	Aim to maintain levels of care home placements , internal homecare hours and responder service (ARCH) within allocated budgets.	1050	550
5	Supporting Primary Care	Primary Care incl GP Prescribing	Continued review of enhanced services / Application of "spend to save" schemes to encourage more efficient prescribing.	960	410
6	Focus on The Frontline	Service Reviews	Transformation programme for Respite Services, Adult Day Care, Welfare Rights Service and transport arrangements to make services fit for the future.	355	220
7	Managing Demand	Procurement	Provision of locally based support accommodation in order to repatriate a number of adults with learning disabilities and complex needs.	300	0
8	Managing Demand	Out of Area	Repatriate high cost packages from outwith Aberdeenshire.	430	0
9	Focus on The Frontline	Grants	Agreement to review grant awards for 2020/21	50	50
10	Shifting the Balance of Care	Set Aside	Issue direction to NHS Grampian for transfer of resource	100	50
11	Managing Demand	Income Uplifts	Misc Income Uplifts of 3% on NHS Services	100	100
				<b>5500</b>	<b>2450</b>