

## Appendix A: Finance Update as at end June 2020

Period 3	Full Year Revised Budget £'000	Period Budget £'000	Period Actual £'000	Period Variance £'000	Variance Percent %	Forecast £'000
Mainstream:						
Community Health Services	35,634	8,825	8,683	(142)	-1.6	36,164
Aberdeen City share of Hosted Services (health)	23,985	5,659	5,984	325	5.7	24,137
Learning Disabilities	35,787	8,512	7,225	(1,287)	-15.1	36,530
Mental Health and Addictions	21,686	6,195	4,740	(1,455)	-23.5	22,421
Older People & Physical and Sensory Disabilities	80,015	23,254	27,247	3,993	17.2	80,666
Directorate	28	(3,313)	583	3,896	-117.6	809
Criminal Justice	92	18	567	549	3050.0	92
Housing	1,846	461	146	(315)	-68.3	1,846
Primary Care Prescribing	40,254	9,298	9,298	0	0.0	40,254
Primary Care	40,938	10,379	10,390	11	0.1	40,851
Out of Area Treatments	2,000	384	575	191	49.7	2,370
Set Aside Budget	46,410	11,603	11,603	0	0.0	46,410
Direct COVID Costs	1,856	1,856	793	(1,063)	-57.3	9,460
Public Health	2,133	727	455	(272)	-37.4	2,060
	<b>332,664</b>	<b>83,858</b>	<b>88,289</b>	<b>4,431</b>	<b>5.3</b>	<b>344,070</b>
Funds:						
Integration and Change	175	(772)	267	1,039	-134.6	175
Primary Care Improvement Fund	303	202	202	0	0.0	303
Action 15 Mental Health	3	2	2	0	0.0	3
Alcohol Drugs Partnership	576	283	283	0	0.0	576
	<b>1,057</b>	<b>(285)</b>	<b>754</b>	<b>1,039</b>	<b>(135)</b>	<b>1,057</b>
	<b>333,721</b>	<b>83,573</b>	<b>89,043</b>	<b>5,470</b>	<b>6.5</b>	<b>345,127</b>

**Appendix B: An analysis of the variances on the mainstream budget is detailed below:**

**Community Health Services ( Forecast Position - £530,032 overspend)**

Major Variances:

(221,076)	Across non-pay budgets
83,191	Under recovery on income
(4,607)	Staff Costs
1,100,000	Undelivered savings

Staffing costs slight underspend due to overspend in Medical Staff and Admin Staff offset by underspends in Nursing and Allied Health Professionals. Income forecast for under recovery is down to income from Dental patients reducing. Non-Pay underspend due to underspends in Transport and Admin costs offset by overspend to Medical Supplies. There is also an overspend forecast due to undelivered savings.

**Hosted Services (Forecast Position £151,701 overspend)**

The main areas of overspend are as follows:

**Intermediate Care:** Main reason for overspend medical locum costs as a result of the requirement to provide consultant cover at night within Intermediate Care. Agency nurse usage continues due to sickness/absence levels, this is currently being reviewed by members of the Leadership Team.

**Grampian Medical Emergency Department (GMED):** Relates mainly to pay costs and the move to provide a safer more reliable service which has been a greater uptake of shifts across the service. Non-pay overspend due to repair costs not covered by insurance, increased costs on software and hardware support costs, increased usage of medical surgical supplies and an increase in drug costs.

**Hosted services** are led by one IJB, however, the costs are split according to the projected usage of the service across the three IJBs. Decisions required to bring this budget back into balance may need to be discussed with the three IJBs, due to the impact on service delivery.

**Learning Disabilities (Forecast Position - £743,020 overspend)**

For ACC, the main area of overspend is commissioned services, which are forecasted to be £1.1m overspent due to out of area placements. This is offset by a projected housing benefit over recovery of £340,000.

**Mental Health & Addictions (Forecast Position - £734,794 overspend).**

For ACC, commissioned services are forecasted to be overspent by £313,000. This is offset by a £77,000 underspend on staffing costs. An overspend is also forecast on the health side of the budget of £500,000 due to the use of locums.

**Older People & Physical and Sensory Disabilities (Position £651,000 overspend)**

Major variances:

910,000	Commissioned services overspend
(155,000)	Supplies & services underspend
(90,000)	Transport costs underspend
103,000	Transfer payments overspend
(117,000)	Income over recovery

The Commissioned services overspend mainly relates to residential care, nursing and home care. Supplies and services are underspent because the miscellaneous budget is not expected to be fully used. A significant element of this overspend on commissioned services is due to the non delivery of commissioning savings.

**Directorate (Position – £781,000 overspend)**

Directorate due to non delivered localities savings as a result of COVID-19

**Primary Care Prescribing (Forecast Position – breakeven)**

At present the prescribing budget is forecast to breakeven, at this stage in the year we are relying on only one month of actual data to compile the forecast. However, near the end of the financial year the costs on this budget were starting to reduce, however, COVID-19 caused a surge of additional costs in the last two weeks of the financial year. These additional costs were funded by the Scottish Government on the basis this was a timing issue and the funds would be clawed back in 2020-21. The funds have been taken from the prescribing budget in 2020-21. Information is starting to come forward that there has been an increase in the price of drugs and this may impact on future forecasts.

**Primary Care Services (Forecast Position - £86,794 underspend)**

A small underspend is forecast on this budget due to a reduction in some of the property costs from some of the primary care properties.

**Out of Area Treatments (Forecast Position - £370,000 overspend)**

Forecast for Year End is £370,000 due to an increase in the costs and number of patients placed out of area.

**COVID -19 Costs (Forecast Position - £7.6m overspend).**

**Major Movements:**

See appendix C for detailed breakdown of these costs. The costs are expected to be funded, however, the income has not been included in the budget until confirmation is received from the Scottish Government.

**Public Health (Forecast Position - £73,428 underspend).**

(73,428) Staffing underspend

Posts have either been redesigned out of the structure or are being held back pending confirmation of the funding position post COVID19.

**Funds (Position - balanced)**

Income will match expenditure at the end of the financial year. The financial allocations for these funds have not yet been confirmed.

### Appendix C: Mobilisation Plan Costings

	Original Medium Range Forecast 2020/21 £'000	Actual Medium Range to 30 June 20 2020/21 £'000	Revised Medium Range Forecast 2020/21 £'000	
<b><u>Direct Costs Agreed Locally</u></b>				
Additional Care Home Beds	3,168	597	3,226	Agreed via NHSG - Costs likely to be incurred for remainder of the year depending on how long clients remain in the care home - might be replaced by sustainability costs in due course.
Clinical Leads	288	28	150	Additional staff costs for our clinical leads to support the Partnership and the community Hub.
Mental Health	144	36	140	Additional Mental Health officer and social care provision via a Provider.
Staff overtime and additional hours	300	57	287	Currently being collated for April - largely required to support residential settings and for weekend working.
Care at Home Additionality	0	0	0	Not seeing or anticipating any additional costs coming through although the reconciliation process with Social Care Providers may identify new costs.
	<b>3,900</b>	<b>718</b>	<b>3,803</b>	
<b><u>Direct Costs influenced Nationally</u></b>				
Care Homes Sustainability	1,263	168	1,263	Principles still being agreed at SG level - to support care homes financially due to a reduction in number of residents. At the moment predicted for 3 months.
Social Care Providers Uplift	528	0	0	Additional cost of uplift agreed via Scottish Government - was agreed to provide care providers 3.3%, which is higher than the amount anticipated in the MTFP.
Social Care Additional PPE, Sick etc PPE Partnership	0 3,600	1,191 111	3,148 452	Additional social care costs being incurred by the providers. This line now only includes the PPE costs of the partnerships and not the social care providers.
GP Practices	591	792	792	Additional payments to practices agreed by Scottish Government for public holidays.
Prescribing Income	(690)	0	0	Return of funding to SG due to their expectation that the cost will reduce in first two months of the financial year. This amount has been removed from the prescribing budget.
	<b>5,292</b>	<b>2,262</b>	<b>5,655</b>	
<b>Direct COVID Costs</b>	<b>9,192</b>	<b>2,980</b>	<b>9,458</b>	
<b><u>Indirect Costs</u></b>				
Prescribing	0		0	No information yet on whether to expect any increase in 2020/21 due to COVID - At present forecast is breaking even.
Lost Income	1,000		0	Reduction in financial assessments and relaxation of rules. There will be a delay in collecting some of this income. No information suggesting an impact on client contributions at the moment.
Savings	3,662		3,450	Agreed savings undeliverable as they impact on Social Care Providers and Staffing
	<b>4,662</b>	<b>0</b>	<b>3,450</b>	
20/21	<b>13,854</b>	<b>2,980</b>	<b>12,908</b>	
19/20	<b>774</b>			
	<b>14,628</b>			
<b>Less: Funding Received</b>			<b>1,854</b>	
<b>Balance Still to be Funded</b>			<b>11,054</b>	

**Appendix D: Progress in implementation of savings – June 2020**

<b>Programme for Transformation:</b>	<b>Agreed Target £'000</b>	<b>Status</b>	<b>Forecast £'000</b>
Managing Demand	(2,050)	Description - Additional income to be received from social care charging and reduced costs largely through a reduction in social care commissioning.  Status - Commissioning plans and savings put on hold or delayed as a result of COVID19, as most of these savings would have come from redesigning social care services.	(300)
Conditions for Change	(2,640)	Description - reduced usage of locums and agency staff and redesign of community services as we move into localities.  Status - Some of the savings have been made due to staff vacancies and a reduction in the use of locums. However, the use of locums in mental health services may increase during the year owing to a number of retirements. A working group has been established to look at the medical staffing in the mental health community and inpatient services.	(1,090)
Accessible and responsive infrastructure	(500)	Description - A review of our 2C medical practices to seek to develop new models for these services which encourage better collaboration between the practices and more cross-system working.  Status - An underspend is forecast on our primary care services and we are using this to offset some of this saving. The 2C re-design work is starting back up again and the work undertaken during the COVID19 response phase is influencing the direct of travel.	(350)
Data and Digital/Prevention	(500)	Description - The majority of the savings will come from seeking alternatives to medicines (social prescribing), ensuring our prescribing processes and management of medicines is as efficient as it can be and also stopping the prescription of drugs where there is evidence of little clinical value. There were also elements about looking at a system to aid the management of medicines in care homes, looking at reducing GP call-outs and considering how to prevent people being admitted to hospital.  Status - This majority of this saving was due to come from the prescribing budget and at present this budget is forecasting to breakeven.	(500)
	<b>(5,690)</b>		<b>(2,240)</b>

**Undeliverable due to COVID19**

**(3,450)**

## Appendix E: Budget Reconciliation

	<b>NHSG</b> £	<b>ACC</b> £	<b>IJB</b> £
ACC per full council:	0	94,287,458	94,287,458
NHS per letter from Director of Finance:	232,053,968		
Budget NHS per letter		0	
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	232,053,968	94,287,458	
Reserves Drawdown			
Quarter 1	7,352,502	26,923	
Quarter 2			
Quarter 3			
Quarter 4			
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	<b>239,406,470</b>	<b>94,314,381</b>	<b>333,720,851</b>

## Appendix F: Budget Virements (balancing)

Health 1-3		£
Pay Uplift 2020-21	Core Community	1,200,047
Pay Uplift 2020-21	Learning Disabilities	44,042
Pay Uplift 2020-21	Community Mental Health	261,386
Pay Uplift 2020-21	Transformation & Public Health	43,999
Pay Uplift 2020-21	Earmarked Funding	(1,549,474)
Hosted Pay Uplift	City Hosted Services	402,589
Hosted Pay Uplift	Earmarked Funding	(402,589)
Hosted Services Sh & Mr	City Hosted Services	128,775
Hosted Services Sh & Mr	Earmarked Funding	(128,775)
Nunuse Budget Removal	Core Community	78,239
Nunuse Budget Removal	PCIP/ACT15/ADP	(78,239)
Budget Balance	Core Community	25,000
Budget Balance	PCIP/ACT15/ADP	(25,000)
Ward 16 Removal	City Hosted Services	(888,845)
Ward 16 Removal	Earmarked Funding	888,845
Hosp@ Home	Core Community	34,145
Hosp@ Home	Earmarked Funding	(34,145)
Hosted Adj	City Hosted Services	(506)
Hosted Adj	Earmarked Funding	506
Acc Funds To Resource Transfer	Resource Transfer	13,547,300
Acc Funds To Resource Transfer	Transformational to ACC	(13,547,300)
Uplift Adjustments	Core Community	(1,871,013)
Uplift Adjustments	Earmarked Funding	1,871,013
Northfield	Core Community	19,826
Northfield	Primary Care	(19,826)
City Drugs Realign	Core Community	21,279
City Drugs Realign	Community Mental Health	(21,279)

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Total Virements	0
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<b>Social Care 1-3</b>		£	Ref
Reallocate IJB budgets v1	Directorate	(5,044,798)	49464
Reallocate IJB budgets v1	Learning Disabilities	(666,959)	49464
Reallocate IJB budgets v1	Mental Health	972,444	49464
Reallocate IJB budgets v1	Older People & Physical Dis	3,992,208	49464
Reallocate IJB budgets v1	Resource Transfer	0	49464
Reallocate IJB budgets v1	Public Health	257,608	49464
Reallocate IJB budgets v1	Integration & Change	489,498	49464
Adjustment	Learning Disabilities	(0)	49503
Reallocate IJB budgets v2	Directorate	1,862,826	49520
Reallocate IJB budgets v2	Learning Disabilities	820,728	49520
Reallocate IJB budgets v2	Mental Health	244,810	49520
Reallocate IJB budgets v2	Older People & Physical Dis	1,226,041	49520
Reallocate IJB budgets v2	Resource Transfer	(5,684,156)	49520
Reallocate IJB budgets v2	Public Health	510,000	49520
Reallocate IJB budgets v2	Integration & Change	1,019,751	49520
<b>Total Virements</b>		<b>(0)</b>	

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**Appendix G: Summary of risks and mitigating action**

	<b>Risks</b>	<b>Mitigating Actions</b>
<b>Community Health Services</b>	Balanced financial position is dependent on vacancy levels.	Monitor levels of staffing in post compared to full budget establishment. A vacancy management process has been created which will highlight recurring staffing issues to senior staff.
<b>Hosted Services</b>	There is the potential of increased activity in the activity-led Forensic Service.  There is the risk of high levels of use of expensive locums for intermediate care, which can put pressure on hosted service budgets.	Work is being undertaken at a senior level to consider future service provision and how the costs of this can be minimised.  The movement of staff from elsewhere in the organisation may help to reduce locum services.
<b>Learning Disabilities</b>	There is a risk of fluctuations in the learning disabilities budget because of:  expensive support packages may be implemented. Any increase in provider rates for specialist services.	Review packages to consider whether they are still meeting the needs of the clients. All learning disability packages are going for peer review at the fortnightly resource allocation panel.
<b>Mental Health and Addictions</b>	Increase in activity in needs led service.  Potential complex needs packages being discharged from hospital. Increase in consultant vacancies resulting in inability to recruit which would increase the locum usage. Average consultant costs £12,000 per month average locum £30,000 per month.	Work has been undertaken to review levels through using CareFirst. Review potential delayed discharge complex needs and develop tailored services. A group has been established in the city to look at supplementary staffing on a regular basis.
<b>Older people services incl. physical disability</b>	There is a risk that staffing levels change which would have an impact on the balanced financial position.  There is the risk of an increase in activity in needs led service, which would also impact the financial position.	Monitor levels of staffing in post compared to full budget establishment.  Regular review packages to consider whether they are still meeting the needs of the clients.

<p><b>Prescribing</b></p>	<p>There is a risk of increased prescribing costs as this budget is impacted by volume and price factors, such as the increase in drug prices due to short supply. As both of which are forecast on basis of available date and evidence at start of each year by the Grampian Medicines Management Group</p>	<p>Monitoring of price and volume variances from forecast.</p> <p>Review of prescribing patterns across General Practices and follow up on outliers. Implementation of support tools – Scriptswitch, Scottish Therapeutic Utility. Poly pharmacy and repeat prescription reviews to reduce wastage and monitor patient outcomes.</p>
<p><b>Out of Area Treatments</b></p>	<p>There is a risk of an increase in number of Aberdeen City patients requiring complex care from providers located out with the Grampian Area, which would impact this budget.</p>	<p>Groups to be re-established reviewing placements and considering if these patients can be cared for in a community setting.</p>