

Appendix A: Finance Update as at end September 2020

Period 6	Full Year Revised Budget £'000	Period Budget £'000	Period Actual £'000	Period Variance £'000	Variance Percent %	Forecast £'000
Mainstream:						
Community Health Services	35,366	17,389	17,456	67	0.4	36,011
Aberdeen City share of Hosted Services (health)	24,107	11,969	11,667	(302)	-2.5	23,534
Learning Disabilities	35,954	17,693	15,628	(2,065)	-11.7	36,341
Mental Health and Addictions	21,801	11,385	9,926	(1,459)	-12.8	22,804
Older People & Physical and Sensory Disabilities	80,534	39,906	44,164	4,258	10.7	81,649
Criminal Justice	92	37	(238)	(275)	-743.2	87
Housing	1,846	923	237	(686)	-74.3	1,846
Primary Care Prescribing	40,254	19,762	20,050	288	1.5	41,499
Primary Care	41,403	20,721	20,590	(131)	-0.6	41,180
Out of Area Treatments	2,000	1,203	1,488	285	23.7	2,432
Set Aside Budget	46,410	23,205	23,205	0	0.0	46,410
Direct COVID Costs	2,784	928	3,322	2,394	258.0	10,514
Public Health	2,133	1,195	1,009	(186)	-15.6	2,053
	334,684	166,316	168,504	2,188	1.3	346,360
Funds:						
Integration and Change	423	14	14	0	0.0	423
Primary Care Improvement Fund*	2,143	151	151	0	0.0	2,143
Action 15 Mental Health*	0	0	0	0	0.0	0
Alcohol Drugs Partnership*	576	43	43	0	0.0	576
	3,142	208	208	0	0	3,142
	337,826	166,524	168,712	2,188	1.3	349,502

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

(1,094,315) Across non-pay budgets
232,944 Under recovery on income
406,588 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 £573,000 underspend)

The Hosted Services position is now reporting an underspend mainly due to the allocation of cost pressure funding from the Integrated Joint Board. All services reporting underspend excluding GMED which still has a significant overspend despite additional funding.

Intermediate Care: Has an underspent position in city due to allocation of additional funding and the reduction in the use of locums. The Grampian Wide service continues to have an overspend position.

Sexual Health Service: Underspent due to vacancies.

Police Forensic Examiners: Currently underspent for the year to date, however budget is volatile and saw lower activity during lockdown.

Diabetes MCN/Retinal Screening: Underspend due to backdated income from September. The income is backdated and is a one off benefit.

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 - £387,000 overspend)

The main area of overspend is commissioned services, which are forecasted to be £896,564 overspent. This is offset by a projected housing benefit over recovery of £340,000.

Mental Health & Addictions (Forecast Position - £1,003,000 overspend).

Commissioned services are forecasted to be overspent. An overspend is also forecast on the health side of the budget of £850,000 due to the use of locums and rising Methadone costs. The additional spend on methadone is being investigated by colleagues from the ADP and Pharmacy, as this might be due to costs being miscoded rather than increased demand.

Older People & Physical and Sensory Disabilities (Position £1,115,000 overspend)

Major variances:

1,150,000 Undelivered Savings

This budget is showing an overspend as a result of undelivered commissioning savings. The commissioning budgets are being reviewed in detail over the next quarter to determine whether there are any underspends which can be used to offset these savings.

Primary Care Prescribing (Forecast Position – £1,245,000 overspent)

This position is based on four month's actuals for April to July which includes the continuing impact on price and volume from Covid and an accrued position for August and September. The actual volume increase in items for March was +15.52% which was funded on a temporary basis by the Scottish Government. Since then there has been a reduction in prescribing levels in April -6.87%, May -10.38% , June -2.23% and July -3.59%. There was a spike in price for March to £11.64/item. Prior to this Feb 2020 price was £11.06/item & largely consistent beforehand. The price reduced to £11.33/item in April, falling further in May to £11.09, then to £11.06 in June and £11.02 in July and now appears to be stabilising.

The material disruptive impact to the prescribing pattern both in relation to price and volume arising from Covid is still not yet fully quantifiable over the medium to longer term in 20/21 and no revised nationally estimated adjustment is yet available for this. Work continues locally at Grampian Primary Care Prescribing Group to further investigate this and nationally, prescribing advisors network are still continuing to work with Primary Care (FHS) executives to analyse the situation to determine expected future volume and price movements to enable forecasts to be revised.

The forecast is based on using the information currently available and assuming £11.02 price is now to continue for August and September. The prescribing position is a major risk area and is being kept under review. Receipt of further information will better inform predictions for future months and the medium to longer term price and volume implications for 20/21.

Primary Care Services (Forecast Position - £223,000 underspend)

The GP contract uplift for 2020/21 agreed has now been notified and allocation letter received. This is about to be adjusted for but is not yet included in the primary care actuals and budget.

The premises position improved slightly following impact relating to estimates for premises projects and rent and rates payments which includes a benefit in Moray for historic rates rebates received in month.

Phasing of annual budget within IJB have been further reviewed to realign resources more accurately between months.

Board Administered funds had a further slightly reduced level of underspend in M6 reflecting current expenditure including seniority payments, and further sickness and maternity claims received.

Out of Area Treatments (Forecast Position - £432,000 overspend)

This budget is due to overspend due to an increase in the number of clients receiving care out of area. Also, the costs of the placements have increased with some clients needing a higher level of care, as a result of the impact of COVID on staff levels in these facilities.

COVID -19 Costs (Forecast Position - £7,730,000 overspend).

Major Movements:

See appendix C for detailed breakdown.

Public Health (Forecast Position - £80,000 underspend).

The underspend is due to vacancies.

Funds (Position - balanced)

Income will match expenditure at the end of the financial year.

Appendix C: Mobilisation Plan Costings

	Original Medium Range Forecast 2020/21 £'000	June Medium Range Forecast 2020/21 £'000	September Medium Range Forecast 2020/21 £'000	
<u>Direct Costs Agreed Locally</u>				
Additional Care Home Beds	3,168	3,226	3,226	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	150	110	Additional staff costs for our clinical leads to support the Partnership and the community Hub.
Mental Health	144	140	140	Additional Mental Health officer and social care provision via a Provider.
Care at Home	0	0	1,000	As reported to the IJB in October there is an increase in planned hours for care at home. This is being investigated and may well be offset by reductions in the residential budget. However, to be prudent it has been added in.
Staff overtime and additional hours	300	287	374	Estimations for whole year but will be dependent on COVID response during the second wave.
	3,900	3,803	4,850	
<u>Direct Costs influenced Nationally</u>				
Care Homes Sustainability	1,263	1,263	1,263	Principles agreed at SG level - to support care homes financially due to a reduction in number of residents. Being reviewed and new costings will be passed to SG in November.
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 MTFF.
Social Care Additional PPE, Sick etc PPE Partnership	0 3,600	3,148 452	3,150 459	High level estimate, but have forecast for the whole year - this will be an additional cost to social care and partnership in future years.
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.
	5,292	5,655	5,664	
Direct COVID Costs	9,192	9,458	10,514	
<u>Indirect Costs</u>				
Prescribing	0	0	1,245	Forecast to increase as a result of the impact of COVID on unit costs of medicines.
Lost Income	1,000	0	1,042	Reduction in financial assessments and relaxation of rules. There will be a delay in collecting some of this income.
Savings	3,662	3,450	3,250	Agreed savings undeliverable as they impact on Social Care Providers and Staffing
	4,662	3,450	5,537	
20/21	13,854	12,908	16,051	
19/20	774			
	14,628			
Less: Funding Received		1,854	2,784	
Balance Still to be Funded		11,054	13,267	

Appendix D: Progress in implementation of savings – September 2020

Programme for Transformation:	Agreed Target £'000	Status	Forecast £'000
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 ore 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 retrials. A working group has been established to look at the medical staffing the mental health community and inpatient services.	(1,140)
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.	(500)
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 patients using 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 the 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)
	(5,690)		(2,440)

Undeliverable due to COVID19

(3,250)

Appendix E: Budget Reconciliation

	NHSG	ACC
	£	£
ACC per full council:	0	94,314,381
NHS per letter from Director of Finance:	232,053,968	
Budget NHS per letter		0
	<hr/>	<hr/>
	232,053,968	94,314,381
Reserves Drawdown		
Quarter 1	7,352,501	
Quarter 2	4,105,563	
Quarter 3		
Quarter 4		
	<hr/> <hr/>	<hr/> <hr/>
	243,512,032	94,314,381

IJB
£

94,314,381

326,368,349

337,826,413

Appendix F : Budget Virements (balancing)

Health 4-6		£
Hosted Funding	Core Community	(1,257,000)
Hosted Funding	City Hosted Services	1,257,000
New Dyce	Core Community	137,553
New Dyce	Earmarked Funding	(137,553)
Psychology Hub	Core Community	2,689
Psychology Hub	PCIP/ACT15/ADP	(2,689)
Medical Pay Uplift	Core Community	114,650
Medical Pay Uplift	Community Mental Health	67,876
Medical Pay Uplift	City Hosted Services	106,594
Medical Pay Uplift	Earmarked Funding	(289,121)
Total Virements		0

Appendix H: Summary of risks and mitigating action

	Risks	Mitigating Actions
Community Health Services	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.
Hosted Services	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.
Learning Disabilities	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.
Mental Health and Addictions	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.
Older people services incl. physical disability	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.
Prescribing	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	Monitoring of price and volume variances from forecast. 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.
Out of Area Treatments	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.	Groups to be re-established reviewing placements and considering if these patients can be cared for in a community setting.