

Appendix A: Finance Update as at end December 2020

Period 9	Full Year Revised Budget £'000	Period Budget £'000	Period Actual £'000	Period Variance £'000	Variance Percent %	Forecast £'000
Mainstream:						
Community Health Services	34,952	26,168	26,476	308	1.2	35,051
Aberdeen City share of Hosted Services (health)	24,320	18,163	17,463	(700)	-3.9	23,326
Learning Disabilities	35,954	26,827	26,096	(731)	-2.7	35,046
Mental Health and Addictions	21,801	16,607	16,157	(450)	-2.7	20,888
Older People & Physical and Sensory Disabilities	80,192	61,224	64,907	3,683	6.0	83,004
Directorate	342	256	257	1	0.4	204
Criminal Justice	92	73	(702)	(775)	-1061.6	77
Housing	1,846	1,384	478	(906)	-65.5	1,846
Primary Care Prescribing	39,267	29,080	29,367	287	1.0	39,676
Primary Care	42,706	32,039	31,535	(504)	-1.6	42,047
Out of Area Treatments	2,000	1,592	2,046	454	28.5	2,622
Set Aside Budget	46,410	34,808	34,808	0	0.0	46,410
Direct COVID Costs	14,063	3,935	6,911	2,976	75.6	17,165
Public Health	2,133	1,664	1,510	(154)	-9.3	2,172
	346,078	253,820	257,309	3,489	1.4	349,534
Funds:						
Integration and Change	518	24	24	0	0.0	518
Primary Care Improvement Fund*	3,147	1,312	1,317	5	0.4	3,147
Action 15 Mental Health*	655	410	410	0	0.0	655
Alcohol Drugs Partnership*	1,240	43	145	102	237.2	1,240
	5,560	1,789	1,896	107	238	5,560
	351,638	255,609	259,205	3,596	1.4	355,094

Appendix C: Mobilisation Plan Costings

	Original Medium Range Forecast 2020/21 £'000	Forecast 2020/21 £'000	
<u>Direct Costs Agreed Locally</u>			
Additional Care Home Beds	3,168	2,979	Initially agreed via NHSG for up to three months - 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	85	Additional staff costs for our clinical leads to support the Partnership and the community Hub.
Mental Health	144	144	
Staff overtime and additional hours	300	392	Additional Mental Health Officer and social care provision via a provider. Required to support residential settings and for weekend working.
Care at Home Additionality	0	1,500	Additional costs in relation to Care at Home required to keep residents from moving into residential settings wherever possible.
Care Homes Sustainability	1,263	5,569	Principles still being agreed at SG level - to support care homes financially due to a reduction in number of residents.
PPE Partnership	3,600	530	High level estimate, but have forecast for the whole year - this will be an additional cost to social care and Partnership for a long time .
COVID HUB	0	1,426	Costs of Covid Vaccination Hubs
Prescribing	(690)	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.
Lost Income	1,000	1,109	Reduction in financial assessments and relaxation of rules. There will be a delay in collecting some of this income.
Winter Allocations	0	1,430	Allocation received for Winter Costs
Savings	3,662	2,000	Agreed savings undeliverable as they impact on Social Care Providers and Staffing which would directly hinder the response to the pandemic if implemented.
COVID Costs	12,735	17,164	
<u>Included on other budget lines</u>			
Savings	0	409	Agreed savings undeliverable as they impact on Prescribing
Social Care Providers Uplift	528	324	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.
Prescribing	0	388	Cost recovery for two drugs where the costs have increased due to COVID.
GP Practices	591	788	Additional payments to practices agreed by Scottish Government for public holidays.
	1,119	1,909	
20/21	13,854	19,073	
19/20	774		
	14,628		
Less: Funding Received		15,562	
Balance Still to be Funded		3,511	

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

Community Health Services (Forecast Position - £349,000 overspend)

Major Variances:

(254,000) Across non-pay budgets
144,000 Under recovery on income
209,000 Staff Costs
250,000 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 GP practice funding costs offset by overspend to Medical Supplies and Admin costs. There is also an overspend forecast due to undelivered savings.

Hosted Services (Forecast Position £994,000 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 underspend position in city due to allocation of additional funding. The Grampian wide service has an underspend position due to reduction on medical supplies spend and no longer accruing for an invoice, along with a reduction in locums usage.

Grampian Medical Emergency Department (GMED): Currently overspent despite additional IJB funding. 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 - £908,000 underspend)

There are forecasted underspends on homecare (£1,460,000), day care (£497,000) and the transitions team (£197,000), offset by an overspend of £1,700,000 on residential care.

Mental Health & Addictions (Forecast Position - £913,000 underspend).

There are underspends across the service, in particular residential care (£360,000), day care (£313,000), support services (£252,000) and drug addictions (£133,000). An overspend is also forecast on the health side of the budget of £500,000 due to the use of locums and rising Methadone costs.

Older People & Physical and Sensory Disabilities (Position £2,812,000 overspend)

There has been a large increase in commissioned services in 2020/21, with costs expected to be approximately £1.9m higher than in 2019/20. In addition, there has been a fall in the amount of client income being billed, with a potential under recovery for the year of up to £1m.

Directorate (Position – £138,000 underspend)

Various underspends, the most significant being £97,000 income received for self directed support.

Primary Care Prescribing (Forecast Position – £409,000 overspent)

The Primary Care Prescribing Budget is reporting an overspend. This position is based on seven month's actuals for April to October which includes the continuing impact on price and volume from Covid and an accrued position for November and December including the impact of Christmas.

This budget now includes an allocation from IJB Covid funding amounting to £388,000 for two drugs identified by Scottish Government as being specifically impacted upon relating to Covid. To the end of October the volume of drugs prescribed has reduced by 4.5%. There have been various price variations throughout the year with the price at the start of the financial year being far higher than expected and this stabilising. Unfortunately the price fall has not offset the price increase at the start of the financial year and therefore an underspend is still forecast.

Primary Care Services (Forecast Position - £659,000 underspend)

The GP contract uplift for 2020/21 agreed has now been notified and allocation received.

Funding has been released to practices by the Scottish Government in anticipation of increased cost relating to Covid response and this is anticipated to be fully funded by the Scottish Government. An allocation for initial expenditure for this has been received and included in position. This expenditure continues to be reviewed and payment to practices for additional expenditure incurred over and above initial allocation released has been arranged monthly. It is anticipated that such additional expenditure is to be funded by the Scottish Government.

The premises position improved following rent review reconsideration where anticipated increase in rent for two practices are no longer expected. This was the main factor in the improved position.

Out of Area Treatments (Forecast Position - £622,000 overspend)

Forecast overspend has been increased due to an increase in the costs and number of people treated out of area. There is also additional expenditure as some patients have required additional support over the lockdown period.

COVID -19 Costs (Forecast Position - £3,102,000 overspend).

Major Movements:

See appendix C for detailed breakdown. This overspend should be recovered through the mobilisation plan funding once received.

Public Health (Forecast Position - £39,000 overspend).

A small overspend on public health staffing which is being investigated.

Funds (Position - balanced)

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

Appendix D: Progress in implementation of savings – December 2020

Programme for Transformation:	Agreed Target £'000	Status	Forecast £'000
Managing Demand	(2,050)	<p>Description - Additional income to be received from social care charging and reduced costs largely through a reduction in social care commissioning.</p> <p>Status - Commissioning plans and savings put on hold are delayed as a result of COVID19, as most of these savings would have come from redesigning social care services.</p>	(300)
Conditions for Change	(2,640)	<p>Description - reduced usage of locums and agency staff and redesign of community services as we move into localities.</p> <p>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 the mental health community and inpatient services.</p>	(2,390)
Accessible and responsive infrastructure	(500)	<p>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.</p> <p>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 direction of travel.</p>	(500)
Data and Digital\Prevention	(500)	<p>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.</p> <p>Status - This majority of this saving was due to come from the prescribing budget and at present this budget is forecasting to breakeven.</p>	(91)
	(5,690)		(3,281)

Undeliverable due to COVID19

(2,409)

Appendix E: Budget Reconciliation

	NHSG £	ACC £	IJB £
ACC per full council:	0	94,314,381	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	3,398,969		
Quarter 3	11,785,415	2,732,720	
Quarter 4			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	254,590,852	97,047,101	351,637,954

Appendix F: Budget Virements (balancing)

Health 7-9		£	
GMED Out Of Hours	City Hosted Services	194,904	
GMED Out Of Hours	Earmarked Funding	(194,904)	
Capacity Funding	Core Community	133,398	
Capacity Funding	Earmarked Funding	(133,398)	
Total Virements		0	

Social Care 7-9		£	Ref
Nhs Covid Funding Tranche 2	Directorate	928,000	49740
Nhs Covid Funding Tranche 2	Budget Savings	(928,000)	49740
Total Virements		0	

Appendix G: 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 due to: - Expensive support packages which 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 of 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. Both of these factors are forecast on the basis of available data and evidence at the 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.