

Appendix A: Finance Update as at end March 2021

Period 12	Full Year Revised Budget £'000	Actual 31-Mar-21 £'000	Variance 31-Mar-21 £'000	Variance Percent %
Mainstream:				
Community Health Services	36,803	36,773	(30)	-0.1
Aberdeen City share of Hosted Services (health)	24,378	23,010	(1,368)	-5.6
Learning Disabilities	35,955	34,345	(1,610)	-4.5
Mental Health and Addictions	21,594	21,098	(496)	-2.3
Older People & Physical and Sensory Disabilities	80,192	81,818	1,626	2.0
Directorate	1,251	326	(925)	-73.9
Criminal Justice	92	92	0	0.0
Housing	746	746	0	0.0
Primary Care Prescribing	40,365	40,447	82	0.2
Primary Care	43,170	42,513	(657)	-1.5
Out of Area Treatments	2,000	2,751	751	37.6
Set Aside Budget	47,802	47,802	0	0.0
Direct Covid Costs	17,240	17,240	0	0.0
Public Health	2,171	1,909	(262)	-12.1
	353,759	350,870	(2,889)	-0.8
Funds:				
Integration and Change	6,046	0	(6,046)	-100.0
Primary Care Improvement Fund*	4,152	1,684	(2,468)	-59.4
Action 15 Mental Health*	1,196	503	(693)	-57.9
Alcohol Drugs Partnership*	1,086	341	(745)	-68.6
	12,480	2,528	(9,952)	(286)
	366,239	353,398	(12,841)	-3.5

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

Community Health Services (Position - £30,000 underspend)

Major Variances:

-£199,000 Across non-pay budgets
£37,000 Under recovery on income
£132,000 Staff Costs

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.

Hosted Services (Position £1,368,000 underspend)

The Hosted Services position is reporting an underspend mainly due to the allocation of cost pressure funding from the Integrated Joint Board (IJB). All services are reporting underspends excluding Grampian Medical Emergency Department (GMED) which still has an overspend despite additional funding.

Intermediate Care: 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 seen 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 (Position - £1,610,000 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 (Position - £496,000 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 £1,626,000 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 – £925,000 underspend)

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

Primary Care Prescribing (Position – £82,000 overspent)

The Primary Care Prescribing Budget is reporting an overspend. This position includes two months of accruals.

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 and an additional £409,000 for savings unachieved.

Primary Care Services (Position - £657,000 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 improved position.

Out of Area Treatments (Position - £751,000 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 (Position - Breakeven).**Major Movements:**

See Appendix C for detailed breakdown.

Public Health (Position - £262,000 underspend).

A small overspend due to staffing vacancies and less activity during the financial year in regard to the health improvement fund.

Funds (Position - balanced)

Variances are largely required to be earmarked in reserves next financial year to allow the projects to complete.

Appendix C: Mobilisation Plan Costings

	Original Medium Range Forecast 2020/21 £'000	Forecast at Jan 2020/21 £'000	Actual 2020/21 £'000		NHS Actual 2020/21 £'000	ACC Actual 2020/21 £'000	2020/21 £'000
<u>Direct Costs Agreed Locally</u>							
Additional Care Home Beds	3,168	2,979	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.	0	2,979	2,979
Clinical Leads	288	85	70	Additional staff costs for our clinical leads to support the Partnership.	70	0	70
Mental Health	144	144	144		0	144	144
Staff overtime and additional hours	300	392	452	Additional Mental Health officer and social care provision via a Provider. Required to support residential settings and for weekend working.	324	128	452
Care at Home Additionality	0	1,500	1,500		0	1,500	1,500
Care Homes Sustainability	1,263	5,569	6,890	Principles still being agreed at SG level - to support care homes financially due to a reduction in number of residents.	0	6,890	6,890
PPE Partnership	3,600	530	532	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 .	469	63	532
Prescribing	(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.			0
Lost Income	1,000	1,109	1,141	Reduction in financial assessments and relaxation of rules. There will be a delay in collecting some of this income.	32	1,109	1,141
Savings	3,662	2,000	1,750	Agreed savings undeliverable as they impact on Social Care Providers and Staffing which would directly hinder the response to the pandemic if implemented.	0	1,750	1,750
GP Practices	0	1,426	1,635	COVID Hub	1,635	0	1,635
Other costs	0	20	146	Miscellaneous costs including hand sanitiser, paper towels & computer equipment.	0	146	146
COVID Costs	12,735	15,754	17,239		2,530	14,709	17,239
<u>Included on other budget lines</u>							
Savings	0	409	409	Agreed savings undeliverable as they impact on Prescribing.			
Social Care Providers Uplift	528	324	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.			
Prescribing	0	388	388	Cost recovery for two drugs where the costs have increased due to covid.			
GP Practices	591	788	788	Additional payments to practices agreed by Scottish Government for public holidays.			
	1,119	1,909	1,585				
20/21	13,854	17,663	18,824				
19/20	774						
	14,628						
Less: Funding Received			17,663				
Balance Still to be Funded			1,161				

Appendix D: Progress in implementation of savings – March 2021

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 covid, 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 retirals. A working group has been established to look at the medical staffing the mental health community and inpatient services.	(2,640)
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 covid 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 this budget overspent at the end of the financial year.	(91)
	(5,690)		(3,531)

Undeliverable due to Covid

(2,159)

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	10,891,573		
Quarter 4	19,326,714	(1,099,794)	
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	273,023,725	93,214,587	366,238,312

Appendix F: Budget Virements (balancing)

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

Health 10-12		£
GP Prescribing Covid	GP Prescribing	387,753
GP Prescribing Covid	Core Community	(387,753)
Innovation Funding	Community Mental Health	78,044
Innovation Funding	Earmarked Funding	(78,044)
Call Down Action 15	Action 15	654,899
Call Down Action 15	Earmarked Funding	(654,899)
Drug Death Task Force	Earmarked Funding	226,876
Drug Death Task Force	Community Mental Health	(226,876)
Autism Funding	Earmarked Funding	309,610
Autism Funding	Community Mental Health	(309,610)
Covid Funding 4th Tranche	Resource Transfer	5,341,928
Covid Funding 4th Tranche	Core Community	(5,341,928)
ADP & Autism Realign	Core Community	751,000
ADP & Autism Realign	Earmarked Funding	(175,000)
ADP & Autism Realign	ADP	(576,000)
Realign Discharge Hub Leader	Core Community	17,186
Realign Discharge Hub Leader	Public Health	(17,186)
Realign Covid Reserve	Core Community	125,962
Realign Covid Reserve	Earmarked Funding	(125,962)
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 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.