



Integration Joint Board

Date of Meeting	24 August 2021
Report Title	Quarter 1 (2021/22) Financial Monitoring Update
Report Number	HSCP.21.094
Lead Officer	Alex Stephen, Chief Finance Officer
Report Author Details	Alex Stephen, Chief Finance Officer alestephen@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Directions Required	No
Appendices	a) Finance Update as at end June 2021 b) Variance Analysis c) Mobilisation Plan Costings Update d) Progress in implementation of agreed savings – June 2021 e) Budget Reconciliation f) Budget Virements g) Summary of risks and mitigating action

1. Purpose of the Report

- a) To summarise the 2021/2022 revenue budget performance for the services within the remit of the Integration Joint Board (IJB) as at Period 3 (end of June 2021).
- b) To highlight the current forecast in relation to the additional costs of Covid to be reclaimed from the Scottish Government (SG).
- c) To advise on any areas of risk and management action relating to the revenue budget performance of the IJB services.
- d) To approve the budget virements so that budgets are more closely aligned to anticipated income and expenditure (see Appendix F).



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2. Recommendations

2.1. It is recommended that the Integration Joint Board:

- a) Note this report in relation to the Integration Joint Board (IJB) budget and the information on areas of risk and management action that are contained herein.
- b) Approve the budget virements indicated in Appendix F.

3. Summary of Key Information

Background

- 3.1. The Risk, Audit and Performance Committee (RAPC) considered financial reports at its 20 April 2021 and 15 June 2021 meetings. The reports highlighted that full funding was received for the local mobilisation plan and that additional income was received in the final quarter of the financial year 2020/2021. This additional income combined with an underspend on mainstream services resulted in the IJB holding £18.4 million in its reserves at the end of the financial year. Of this reserve £2.5 million was ring fenced as a risk fund, as agreed at the 23 March 2021 meeting of the IJB, with the remaining funding being earmarked for specific purposes including a replenishment of the integration and change earmarked reserve.
- 3.2. This financial year the IJB finds itself in the same position as last year with additional costs being incurred due to the implications of Covid on the delegated services. The current initial estimation is that funding of £10.5 million will be required to cover the additional costs. It is expected that this figure will move as the spend and rules governing how it should be spent are firmed up throughout the financial year. The IJB holds £2.5 million in a Covid Reserve which must be used first against the £10.5 million. The Scottish Government (SG) intend to continue to fund the additional costs of Covid as they have done last financial year. Again, the area of most risk is the unallocated savings which were funded last financial year. Further information is not expected on local mobilisation funding until September/October 2021.



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- 3.3. In previous years the SG did not distribute some of the funds for the Alcohol and Drugs Partnership (ADP), Action 15 and Primary Care Improvement Plan (PCIP) as they were unlikely to be spent. In 2020/2021 all the funds including the underspends from previous years were transferred to the IJB and these were carried forward via the IJB reserves. These funds must be used first, before this year’s allocations can be used.

Aberdeen City IJB Financial Information

- 3.4. A prudent approach continues to be taken in forecasting the level of additional income to be received from the SG for the cost implications of Covid and only income that has been received was accounted for in the financial monitoring. The financial position of the IJB as at 30 June 2021 is as follows:

	£'000
	30 June 2021
Overspend\Underspend) as at (Appendices A and B)	7,699
Represented by:	
Overspend\Underspend) on Mainstream Budgets (Appendix B)	(103)
Direct Costs of Covid – Included on Mobilisation Plan (Appendix C) and on budget line	6,902
Costs of Covid – Included on Mobilisation Plan (Appendix C)	3,396
Less: Mobilisation Plan Income Budgeted via the MTFF.	(2,496)
	7,699



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- 3.5. The mainstream position is showing a small underspend of £103,000 and Information on the variances to date are contained in the appendices, along with the budget virements and an updated mobilisation plan costing.

4. Implications for IJB

- 4.1. Every organisation must manage the risks inherent in the operation of large and complex budgets. These risks are minimised by the regular review of financial information by budget holders and corporately by the Board and RAPC. This report is part of that framework and has been produced to provide an overview of the current financial operating position.

Key underlying assumptions and risks are set out within the Appendices to this report.

- 4.2. **Equalities, Fairer Scotland and Health Inequality** – there are no implications arising from this report.
- 4.3. **Financial** – the financial implications are contained throughout the report.
- 4.4. **Workforce** – there are no workforce implications arising from this report.
- 4.5. **Legal** – there are no legal implications arising from this report.
- 4.6. **Other** – there are no other implications arising from this report.

5. Links to ACHSCP Strategic Plan

- 5.1. A balanced budget and the medium financial strategy are a key component of delivery of the strategic plan and the ambitions included in this document.



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6. Management of Risk

6.1. Identified risks(s)



See directly below.

6.2. Link to risks on strategic or operational risk register: Strategic Risk #2

There is a risk of financial failure, that demand outstrips budget and IJB cannot deliver on priorities, statutory work, and project an overspend.

6.3. How might the content of this report impact or mitigate these risks:

Good quality financial monitoring will help budget holders manage their budgets. By having timely and reliable budget monitoring any issues are identified quickly, allowing mitigating actions to be implemented where possible.

Approvals	
	Sandra Macleod (Chief Officer)
	Alex Stephen (Chief Finance Officer)



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