



INTEGRATION JOINT BOARD

Date of Meeting	10 March 2022
Report Title	Quarter 3 (2021/22) Financial Monitoring Update
Report Number	HSCP.22.014
Lead Officer	Alex Stephen, Chief Finance Officer
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Consultation Checklist Completed	Yes
Directions Required	Yes
Appendices	Appendix A -Finance Update as at end December 2021 Appendix B - Variance Analysis Appendix C - Mobilisation Plan Costings Update Appendix D - Progress in implementation of agreed savings – December 2021 Appendix E - Budget Reconciliation Appendix F - Budget Virements Appendix 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 9 (end of December 2021).
- b) To highlight the current forecast in relation to the additional costs of COVID-19 to be reclaimed from the Scottish Government (SG).



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- 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).

2. Recommendations

2.1. It is recommended that the IJB:

- a) Note this report in relation to the 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. This financial year (2021/22) the IJB finds itself in the same position as last year with additional costs being incurred due to the implications of COVID-19 on the delegated services. The current estimation is that funding of £12.9 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 £12.9 million. The Scottish Government (SG) intend to continue to fund the additional costs of Covid as they have done in financial year 2020/2021. The first tranche of local mobilisation funding was received in December, and we continue to report the updated cost estimated to SG each quarter.
- 3.2. 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. It is likely that any



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unspent 2021/22 allocations will be transferred into the IJB to be carried forward through IJB reserves.

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- 3.3. A prudent approach continues to be taken in forecasting. In order to maintain a consistent approach with the financial position reported to the end of September, the additional income to be received from the SG for the cost implications of COVID-19 is not shown. The financial position of the IJB as at 31 December 2021 is as follows:

	£'000 31 December 2021
Overspend\(\Underspend) as at (Appendices A and B)	8,927
Represented by:	
Overspend\(\Underspend) on Mainstream Budgets (Appendix B)	(3,723)
Direct Costs of Covid – Included on Mobilisation Plan (Appendix C) and on budget line	12,650
	8,927

- 3.4. The mainstream position is showing an underspend of £3,723,000 and information on the variances to date are contained in the appendices, along with the budget virements and an updated mobilisation plan costing. The underspend on mainstream services is greater than reported in September (£3,041,000), as some of the underspend forecast on adult social care services has reduced as care homes occupancy has increased quicker than forecast, this has been offset by increased underspends on staffing budgets for health services and a reduced overspend on prescribing.
- 3.5. A significant level of additional financial resource has been received in relation to winter funding and there will be other funding to be received as



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highlighted in paragraph 3.2. At present we are forecasting this will be fully spent, as it is anticipated that any underspends on these funds will require to be ring fenced within the IJB reserves to be used next financial year. Guidance on the treatment of these funds at yearend is expected from the Scottish Government soon. It is therefore forecast that the IJB underspend will increase significantly in the last quarter, in a similar manner to what happened in 2020/2021.

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 the Risk Audit & Performance Committee. 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)