



## RISK, AUDIT AND PERFORMANCE COMMITTEE

<b>Date of Meeting</b>	26 April 2022
<b>Report Title</b>	Quarter 4 (2021/22) Financial Monitoring Update
<b>Report Number</b>	HSCP.22.032
<b>Lead Officer</b>	Alex Stephen, Chief Finance Officer
<b>Report Author Details</b>	Alex Stephen, Chief Finance Officer alestephen@aberdeencity.gov.uk
<b>Consultation Checklist Completed</b>	Yes
<b>Directions Required</b>	Yes
<b>Appendices</b>	<p>Appendix A -Finance Update as at end March 2022</p> <p>Appendix B - Variance Analysis</p> <p>Appendix C - Mobilisation Plan Costings Update</p> <p>Appendix D - Progress in implementation of agreed savings – March 2022</p> <p>Appendix E - Budget Reconciliation</p> <p>Appendix F - Budget Virements</p> <p>Appendix G - Summary of risks and mitigating action</p>

### 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 March 2022).
- b) To highlight the current forecast in relation to the additional costs of COVID-19 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 found itself in the same position as last year with additional costs being incurred due to the implications of COVID-19 on the delegated services. In 2021/22 £12 million was required to cover these additional costs. The IJB holds £2.5 million in a Covid Reserve which must be used first against the £12 million. All the funding for COVID-19 was received along with a further £17 million which was passed through in the last quarter. This funding is to be used to fund further COVID-19 costs.
- 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. The full 2021/22 allocations were transferred into the IJB to be carried forward through IJB reserves if they were underspent.



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### Aberdeen City IJB Financial Information

3.3. A prudent approach continues to be taken in forecasting. In order to maintain a consistent approach with the financial position reported throughout the financial year. The financial position of the IJB as at 31 March 2022 is as follows:

	£'000 31 December 2021	£'000 31 March 2022
<b>Overspend\(\Underspend) as at (Appendices A and B)</b>	<b>8,927</b>	<b>(33,156)</b>
<b>Represented by:</b>		
Overspend\(\Underspend) on Mainstream Budgets (Appendix B)	(3,723)	(6,934)
Winter Funding underspent due to staffing difficulties	-	(4,206)
Overspend\(\Underspend) on Funds to be carried forward via the reserves	-	(4,820)
Direct Costs of Covid – Included on Mobilisation Plan (Appendix C) and on budget line	12,650	-
COVID-19 Funding received in final quarter to be carried forward	-	(17,206)
	<b>8,927</b>	<b>33,156</b>

3.4. The mainstream position is showing an underspend of £6,934,000 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 December, as the level of underspend on older adults has increased, as have the underspends on frailty and community health services due to difficulties recruiting staff.



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**3.5.** As highlighted in the quarter 3 report, a significant level of additional financial resource has been received in relation to winter funding and this combined with the underspend on the funds, which we always earmark in the reserves, accounts for £9 million of the underspend. The final major movement is the £17 million of funding received in quarter 4 and referred to in paragraph 3.1.

### **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.



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### 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.

### 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)