

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

**Community Health Services (Position - £1,726,000 underspend)**

Major Variances:

(258,000) Across non-pay budgets  
(613,000) Over receipt on income  
(856,000) Staff Costs

Staffing costs projected underspend due to recruitment to vacancies particularly in Nursing and AHPs. This is augmented by underspend in Non Pay and over recovery on income.

**Hosted Services (Position £1,985,000 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 underspent 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 (Position - £562,000 underspend)**

£430,000 underspent on staff costs due to vacancies. £56,000 overrecovered income from clients. £830,000 underspent on commissioning costs but £720,000 overspent on direct payments, as more clients are organising their own care.

**Mental Health & Addictions (Position - £552,000 overspend)**

£125,000 overrecovered income, mostly client receipts. There are also underspends of £110,000 on staff costs due to vacancies, and £75,000 on supplies & services. These are offset by various overspends, the largest being £67,000 on commissioned services and £44,000 on direct payments to clients. The

**Older People & Physical and Sensory Disabilities (Position £7,042,000 underspend)**

£1.3m underspend on commissioned services, £590,000 underspend on staff costs due to vacancies - service has started a recruitment drive to attract new social workers, £260,000 underspend on supplies & services relating to past IT contract costs now longer being due, and £1m overrecovery of income, mostly client receipts. Also, an underspend on the winter funding. Offset by £2.3m overspend on direct payments.

**Directorate (Position - £357,000 overspend)**

£220,000 overspent on commissioning services and budget will be realigned next financial year.

**Primary Care Prescribing (Position - £245,000 overspend)**

Agreement between Scottish Government and Community Pharmacy Scotland was reached to reduce tariff price from July. This resulted in an actual average price per item of £10.81 in July which increased to £10.86 in August and £10.90 in September, (June actual average price was £11.12 before tariff reduction). After seasonal increase in price for December the average item price in January fell back to £10.95. A price of £10.95 per item, has been used to estimate February and March position.

The actual volume of items increase to January remained higher than prior year, at a rate of 5.20% and estimate to February is now 5.31%. The estimated position has been adjusted to include an overall 5.31% volume increase for the 12 months to March. The volume increase is a key factor in overall expenditure and latest estimated 9.705M items for 21/22 represents a small increase in activity compared to overall 19/20 totals including the March 2020 Covid impact. Within Aberdeen City a separate credit on actuals within City prescribing budget as noted above £279,000 has been actioned to improve position to date.

**Primary Care Services (Position - £194,000 overspend)**

The GP contract Global sum uplift was agreed and implemented from October 21. This has resulted in a minor adverse variance to March. The main overspend on enhanced services remains consistent as services were protected in total for 21/22. The main underspend on Board administered funds including Seniority payments and locum payments continued but reduced in March as additional claims received for maternity and sickness allowances. Premises has a favourable movement including latest rates, rental (mainly in Aberdeen city) and improvement expenditure which includes increased slippage for projects in 21/22. Other smaller minor underspending areas including Training Grant contribute to the overall underspend position.

**Out of Area Treatments (Position - £105,000 underspend)**

Reduction in overspend due to transfer of patient and reduction in nursing.

**COVID -19 Costs (Position - £17,206,000 underspend).**

**Major Movements:**

See appendix C for detailed breakdown. The costs were fully funded and the budget also contains a further £18 million to cover COVID costs in future years.

**Transforming Health and Wellbeing (Position - £289,000 underspend).**

£58,000 underspent on Horizons rehabilitation centre refurbishment as no work carried out so far this year and staff vacancies.

**Funds**

The budgets have been updated to reflect the correct allocations and the underspends are transferred to reserves where they balances are required to be earmarked.