



INTEGRATION JOINT BOARD COMMITTEE

Date of Meeting	29 November 2022
Report Title	Quarter 2 (2022/23) Financial Monitoring Update
Report Number	HSCP.22.104
Lead Officer	Paul Mitchell, Chief Finance Officer
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Consultation Checklist Completed	Yes
Directions Required	No
Appendices	<p>Appendix A -Finance Update as at end September 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 – September 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 2022/2023 revenue budget performance for the services within the remit of the Integration Joint Board (IJB) for quarter 2 (*period ended of 30 September 2022*).
- b) To advise on any areas of risk and management action relating to the revenue budget performance of the IJB services.



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- c) To approve the budget virements so that budgets are more closely aligned to anticipated income and expenditure

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 (2022/23) the IJB has 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.
- 3.2.** From the current monitoring statement, the forecast Covid-19 specific costs for the year to 31 March 2023 are £10,057,000. As at 31 March 2022, the IJB held a Covid Reserve of £19,740,496 to fund these additional costs, leaving a forecast balance on the Reserve of £9,683,496.
- 3.3.** The Scottish Government letter dated 25 February 2022 stated that the funding allocation was to support the continuation of Covid specific costs that were already being funded in 2021/22, with no new additions. The specific funding allocation ends on 31 March 2023. As a result, staff have been working to ensure that there will be no additional cost pressure for the IJB from 2023/24 onwards.
- 3.4.** In a letter from the Scottish Government, dated 12 September 2022, it stated that “the Scottish Government will reclaim surplus Covid reserves to be redistributed across the sector to meet current Covid pressures”, with the “process and timetable will follow through further communications”



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- 3.5. At the IJB Committee on 11 October 2022, it was recommended that the Chief Finance Officer report back to Committee on the Quarter 2 forecast position and an update in respect of the Scottish Government reclaiming any under committed Covid Reserve.
- 3.6. The terms of the grant letter state that the Covid funding provided under that grant is non-repayable. At this stage, it is not clear upon which basis the monies would be repaid. We are seeking clarification from the Scottish Government, through the Chief Finance Officers Executive group.
- 3.7. On 2 November 2022, the Scottish Government produced the [2022-23 Emergency Budget Review](#). For the remainder of the financial year, the review sets out the reprioritisation of budgets within the Health and Social Care Portfolio to support the Agenda for Change pay and wider pressures in the sector. Specific to the IJBs, we are required to utilise current funds and claim on actual expenditure incurred. Previously we received an allocation, and any underspend was carried forward on our Balance Sheet as a Reserve. This new approach reduces our ability to increase Reserves.

Aberdeen City IJB Financial Information

- 3.8. To maintain a consistent approach with the financial position reported in previous financial years, a prudent methodology continues to be taken in respect of forecasting. The financial position of the IJB as at 30 September 2022 is as follows:

	As at 30 Sept 2022 £'000
Overspend\(\Underspend) as at (Appendices A and B)	0
<hr style="border-top: 3px double #000;"/>	
Represented by:	
Overspend\(\Underspend) on Mainstream Budgets (Appendix B)	0
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- 3.9. The mainstream position is showing a balanced budget and information on the variances to date are contained in Appendix B.
- 3.10. Budget Holders have regular review meetings with dedicated finance staff and the Senior Leadership Team receive regular financial reports and continually monitor the overall forecast position.

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 risk(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 JB 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.