

Appendix A: Finance Update as at end September 2022

Period 6	Full Year Revised Budget £'000	Period Budget £'000	Period Actual £'000	Period Variance £'000	Variance Percent %	Forecast £'000	Full Year Variance £'000	App B
Mainstream:								
Community Health Services	37,461	18,741	18,885	144	0.8%	37,948	487	<i>a</i>
Aberdeen City share of Hosted Services (health)	28,437	14,125	13,836	(289)	(2.0)%	27,957	(480)	<i>b</i>
Learning Disabilities	37,905	18,952	19,546	594	3.1%	37,599	(306)	<i>c</i>
Mental Health and Addictions	24,046	12,023	12,044	21	0.2%	24,155	109	<i>d</i>
Older People & Physical and Sensory Disabilities	100,711	50,356	50,451	95	0.2%	100,475	(236)	<i>e</i>
Directorate	1,623	812	935	123	15.1%	1,720	97	<i>f</i>
Criminal Justice	153	77	80	3	3.9%	162	9	
Housing	1,848	924	924	0	-	1,848	-	
Primary Care Prescribing	39,992	19,806	20,978	1,172	5.9%	41,165	1,173	<i>g</i>
Primary Care	42,382	21,243	19,629	(1,614)	(7.6)%	41,072	(1,310)	<i>h</i>
Out of Area Treatments	2,000	1,053	1,100	47	4.5%	2,457	457	<i>i</i>
Set Aside Budget	47,802	23,901	23,901	0	-	47,802	-	
Direct COVID Costs	10,057	4,868	4,868	0	-	10,057	-	<i>j</i>
Transforming Health and Wellbeing	2,570	1,279	1,304	25	2.0%	2,570	-	<i>k</i>
	376,987	188,160	188,481	321	0.2%	376,987	-	
Funds:								
Integration and Change	142	88	88	0	-	142	-	
Uplift Funding	6,195	0	0	0	-	6,195	-	
Winter Funding	0	0	0	0	-	0	-	<i>l</i>
Primary Care Improvement Fund	306	156	156	0	-	306	-	
Action 15 Mental Health	0	206	206	0	-	0	-	
Alcohol Drugs Partnership	0	50	50	0	-	0	-	
	6,643	500	500	0	-	6,643	-	
	383,630	188,660	188,981	321	0.2%	383,630	-	

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

a Community Health Services (Forecast Position - £487,000 overspend)

Major Variances:

1,033,000 Across non-pay budgets
(276,000) Over receipt on income
(270,000) Staff Costs

Staffing costs projected underspend due to recruitment to vacancies particularly in Nursing and AHPs.

b Hosted Services (Forecast Position £480,000 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 are reporting an 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.

c Learning Disabilities (Forecast Position - £306,000 underspend)

Council: £1,567,000 underspent on commissioned services. Offset by £718,000 overspend on direct payments, £180,000 on staff (as 5% pay award now expected) and £287,000 underrecovery of client income.

NHS: A pressure has arisen due to a high cost care package estimated at £230,000, partially offset by underspends of £154,000 on staffing due to vacancies

d Mental Health & Addictions (Forecast Position - £109,000 overspend)

£150,000 overspent on staffing mostly due to 5% pay award, partly offset by various savings, including commissioned services

e Older People & Physical and Sensory Disabilities (Position £236,000 underspend)

£484,000 underspent on staff costs due to vacancies. Offset by £248,000 underrecovery of client income.

f Directorate (Position – £97,000 overspend)

Various small overspends, including £34,000 on grants to voluntary organisations, £17,000 on carers support and sheltered housing support income underrecovered by £46,000.

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

g Primary Care Prescribing (Forecast Position – £1,173,000 overspent)

Agreement has been reached between the Scottish Government and Community Pharmacy Scotland for 22/23 and a tariff price reduction has been implemented from April 2022. This resulted in a reduced actual average price per item of £10.62 in April which increased to £10.67 in May. Part of the agreement with Community Pharmacy Scotland includes a transfer to Pharmacy Global Sum from prescribing which will be achieved by a reverse allocation yet to be actioned. This is as similar arrangement to prior years.

The estimated position to M5 included a 3-month accrual for June July and August due to problems at a national level with data loading and verification within PSD. Actual data has now been received for June and July. The actual data indicates item price increased significantly in June and increased again in July to £10.99 /item from £10.67/item in May. The price increase has been attributed to the impact of short supply causing a spike in prices. This is spread across a range of products and is being analysed to identify any mitigation measures. This has also impacted on tariff reduction achievement, and this is also being reassessed by the Scottish Government. A price of £10.83 has been used for the September estimate in anticipation of some mitigation and recovery in price.

h Primary Care Services (Forecast Position - £1,310,000 underspend)

The GP contract for 22/23 uplift is still to be determined and is not included in the above noted position. A break-even position has been assumed to M6 for this element.

The main overspend on enhanced services remains consistent as services are still protected in part. From July Enhanced Services resumed with 75% protection for those with lower recorded activity for July and being phased out thereafter. The activity being recorded and submitted is still lower than expected and practices have been reminded to complete recording as future earnings will be dependent upon this as protection ceases.

Premises remain favourable mainly in Aberdeen City and Aberdeenshire where one-off benefits from prior year rates refunds received in 22/23 alongside reduced business rates & water charges for 22/23 which will be recurring.

Other smaller minor underspending areas, including Training Grant contribute to the overall underspend.

The underspend on Board administered funds including Seniority payments and locum payments has increased slightly but remains broadly consistent with expectation.

i Out of Area Treatments (Forecast Position - £457,000 overspend)

The current forecast position for the year is an overspend of £457,000 (slight reduction from 21/22 overspend of £494,000)

The makeup of the change is:-

Reductions in spend	
Impact of discharges during 21/22	(145,000)
Impact of move within a placement	(43,000)
Expected reduction in additional nursing	(113,000)
Increases in spend	
Full year effect 21/22 placement	147,000
Estimated pay and prices	117,000
Net change in spend and in overspend	<u><u>(37,000)</u></u>

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

j COVID -19 Costs (Forecast Position - balanced).

Direct Costs to be funded from Covid Reserve:-

Staff overtime and additional hours	328,000
Care Homes Sustainability	9,493,000
PPE Partnership	212,000
Chief Social Work Officer	<u>24,000</u>
	<u><u>10,057,000</u></u>

k Transforming Health and Wellbeing (Forecast Position - balanced).

Council: £125,000 overspent on staffing as new team members have been recruited.

NHS: Underspends on pay due to vacancies, held to match the Council's position to give an overall breakeven forecast

l Funds (Forecast Position - balanced)

Income will match expenditure at the end of the financial year.

Appendix C: Mobilisation Plan Costings

**Forecast
2022/23
£'000**

Direct Costs Agreed Locally

Staff overtime and additional hours	328	Required to support residential settings and for weekend working. Also agency staff taken on to process sustainability claims.
Care Homes Sustainability	9,493	Support to care homes financially due to a reduction in number of residents.
PPE Partnership	212	Additional cost to social care and partnership.
Chief Social Work Officer	24	As per agreement
	<u>10,057</u>	

Appendix D: Progress in implementation of savings – September 2022

Programme for Transformation:	Agreed Target £'000	Status	Forecast £'000
Prescribing	(350)	<p>Description - To seek alternatives to medicines (social prescribing), ensuring our prescribing processes and management of patients using medicines is as efficient as it can be and also stopping the prescription of drugs where there is evidence of little clinical value</p> <p>Status - The budget is regularly reviewed and the saving is expected to materialise.</p>	(350)
Whole system and connected remobilisation	(825)	<p>Description - undertake a strategic review of the data, demographic and demand picture to understand the "bed base" for unscheduled care.</p> <p>Status - The budget is regularly reviewed and the saving is expected to materialise.</p>	(825)
	(1,175)		(1,175)

Undeliverable due to COVID19

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Appendix E: Budget Reconciliation

	NHSG	ACC	IJB
	£	£	£
ACC per full council:	0	118,486,677	
NHS per letter from Director of Finance:	243,488,986		
Budget NHS per letter		0	
	<hr/>	<hr/>	
	243,488,986	118,486,677	
Reserves Drawdown			
Quarter 1	14,410,228		
Quarter 2	7,245,194		
Quarter 3			
Quarter 4			
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	265,144,408	118,486,677	383,631,085

Appendix F: Budget Virements (balancing)

Health 1-3		£
WOUND CARE MANAGEMENT PRODUCT	CITY H&SCP CORE	60,000
WOUND CARE MANAGEMENT PRODUCT	PRESCRIBING CITY	(60,000)
NUNUSED BUDGET	CITY COMMUNITY MENTAL HEALT	2,018
NUNUSED BUDGET	CITY H&SCP CORE	13,800
NUNUSED BUDGET	CITY LEARNING DISABILITIES	(3)
NUNUSED BUDGET	RING FENCED FUNDING	7
NUNUSED BUDGET	UNUSED COST CENTRES	(15,822)
RECODE N35054	CITY H&SCP CORE	234,318
RECODE N35054	UNUSED COST CENTRES	(234,318)
WARD 16 SAVINGS ALLOCATION	CITY COMMUNITY MENTAL HEALT	653,193
WARD 16 SAVINGS ALLOCATION	CITY HOSTED SERVICES	98,734
WARD 16 SAVINGS ALLOCATION	CITY H&SCP CORE	(751,927)
MEDICAL PAY UPLIFT	CITY COMMUNITY MENTAL HEALT	109,422
MEDICAL PAY UPLIFT	CITY H&SCP CORE	91,255
MEDICAL PAY UPLIFT	UPLIFT ADJUSTMENTS	(200,677)
Total Virements		-

Social Care 4-6		£
IJB budget v2 - move Scottish Care grant to Directorate	Directorate	119,506
IJB budget v2 - move Scottish Care grant to Directorate	Strategy & Transformation	(119,506)
IJB budget v3 - adjust covid budgets to match FPR	Directorate	3,176,000
IJB budget v3 - adjust covid budgets to match FPR	Learning Disabilities	50,000
IJB budget v3 - adjust covid budgets to match FPR	Mental Health/Substance Misuse	(70,000)
IJB budget v3 - adjust covid budgets to match FPR	Resource Transfer	(3,156,000)
Total Virements		-

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Appendix G: Summary of risks and mitigating action

	Risks	Mitigating Actions
Community Health Services	The current financial position is dependent on vacancy levels.	Monitor levels of staffing in post compared to full budget establishment. A vacancy management process has been created which will highlight recurring staffing issues to senior staff.
Hosted Services	There is the potential of increased activity in the activity-led Forensic Service. There is the risk of high levels of use of expensive locums for intermediate care, which can put pressure on hosted service budgets.	Work is being undertaken at a senior level to consider future service provision and how the costs of this can be minimised. The movement of staff from elsewhere in the organisation may help to reduce locum services.
Learning Disabilities	There is a risk of fluctuations in the learning disabilities budget because of: Staff vacancy levels Expensive support packages Increase in provider rates	Monitor levels of staffing in post compared to full budget establishment. Review packages to consider whether they are still meeting the needs of the clients. All learning disability packages are going for peer review at the fortnightly resource allocation panel.
Mental Health and Addictions	Increase in activity in needs led service. Potential complex needs packages being discharged from hospital. Increase in consultant vacancies resulting in inability to recruit which would increase the locum usage. Average consultant costs £12,000 per month average locum £30,000 per month.	Work has been undertaken to review levels through using CareFirst. Review potential delayed discharge complex needs and develop tailored services. A group has been established in the city to look at supplementary staffing on a regular basis.
Older people services incl. physical disability	There is a risk that staffing levels change which would have an impact on the current financial position. There is the risk of an increase in activity in needs led service, which would also impact the financial position.	Monitor levels of staffing in post compared to full budget establishment. Regular review packages to consider whether they are still meeting the needs of the clients.
Prescribing	There is a risk of increased prescribing costs as this budget is impacted by volume and price factors, such as the increase in drug prices due to short supply. As both of which are forecast on basis of available date and evidence at start of each year by the Grampian Medicines Management Group	Monitoring of price and volume variances from forecast. Review of prescribing patterns across General Practices and follow up on outliers. Implementation of support tools – Scriptswitch, Scottish Therapeutic Utility. Poly pharmacy and repeat prescription reviews to reduce wastage and monitor patient outcomes.
Out of Area Treatments	There is a risk of an increase in number of Aberdeen City patients requiring complex care from providers located out with the Grampian Area, which would impact this budget.	Groups to be re-established reviewing placements and considering if these patients can be cared for in a community setting.