

Appendix A: Finance Update as at end December 2022

Period 9	Full Year	Period	Period	Period	Variance	Forecast	Full Year	App B
	Revised	Budget	Actual	Variance	Percent		Variance	
	£'000	£'000	£'000	£'000	%	£'000	£'000	
Mainstream:								
Community Health Services	38,543	28,851	29,026	175	0.6%	38,869	326	a
Aberdeen City share of Hosted Services (health)	28,441	21,264	21,356	92	0.4%	28,366	(75)	b
Learning Disabilities	37,797	28,348	28,761	413	1.5%	37,969	172	c
Mental Health and Addictions	24,017	18,311	17,765	(546)	(3.0)%	24,026	9	d
Older People & Physical and Sensory Disabilities	100,857	75,643	73,701	(1,942)	(2.6)%	100,621	(236)	e
Directorate	1,961	1,206	1,215	9	0.7%	1,876	(85)	f
Criminal Justice	153	115	114	(1)	(0.9)%	153	-	
Housing	1,848	1,386	1,549	163	11.8%	1,848	-	
Primary Care Prescribing	39,425	29,600	31,782	2,182	7.4%	42,638	3,213	g
Primary Care	45,000	33,776	31,005	(2,771)	(8.2)%	41,219	(3,781)	h
Out of Area Treatments	2,000	1,517	1,748	231	15.2%	2,457	457	i
Set Aside Budget	47,802	35,852	35,852	0	-	47,802	-	
Direct COVID Costs	10,057	7,312	7,211	(101)	(1.4)%	10,057	-	j
Transforming Health and Wellbeing	2,669	1,996	2,162	166	8.3%	2,669	-	k
	380,570	285,177	283,247	(1,930)	(0.7)%	380,570	-	
Funds:								
Integration and Change	349	235	235	0	-	349	-	
Uplift Funding	5,815	0	0	0	-	5,815	-	
Winter Funding	0	0	0	0	-	0	-	l
Primary Care Improvement Fund	306	231	231	0	-	306	-	
Action 15 Mental Health	1	1	1	0	-	1	-	
Alcohol Drugs Partnership	0	0	0	0	-	0	-	
	6,471	467	467	0	-	6,471	-	
	387,041	285,644	283,714	(1,930)	(0.7)%	387,041	-	

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

a Community Health Services (Forecast Position - £326,000 overspend)

Major Variances:

1,636,000 Across non-pay budgets
(254,000) Over receipt on income
(1,056,000) Staff Costs

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

Overspend in Non pay is largely due to Property costs and Equipment costs. All savings targets are now realigned to one budget code within community.

b Hosted Services (Forecast Position £75,000 underspend)

The Hosted Services position is now reporting an underspend mainly due to the allocation of cost pressure funding from the Integrated Joint Board.

Intermediate Care: Has an overspend position in city despite an allocation of additional funding. The Grampian Wide service has an overspend position due to locum costs, agency nursing costs and an overspend in medical supplies mainly in rehab.

Grampian Medical Emergency Department (GMED): Currently underspent as was allocated 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 any 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 - £172,000 overspend)

Council: £62,000 overspent, mostly on commissioned services.

NHS: Pressures have arisen due to an increase in care packages estimated at £230,000, partially offset by underspends of £120,000 on staffing due to vacancies

d Mental Health & Addictions (Forecast Position - £9,000 overspend)

Council: £30,000 under due to various small underspends across the service.

NHS: £39,000 over due to various small overspends across the service.

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

The underspend remains the same as per Quarter 2 with underspend on staffing due to vacancies, partially offset by the under recovery of client income

f Directorate (Position – £85,000 underspend)

Various small underspends, mostly in Business Support.

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

g Primary Care Prescribing (Forecast Position – £3,213,000 overspent)

Agreement was reached between the Scottish Government and Community Pharmacy Scotland for 22/23 and a tariff price reduction was 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 was achieved by a reverse allocation actioned in October. This is a similar arrangement in prior years.

The estimated position to M9 includes an accrual for November and December. Actual data has now been received to October. The actual data indicates the item price has increased significantly and is now in October £11.30/item. The price in May was £10.67/item. The price increase is partly attributed to the impact of short supply causing a spike in prices which is being sustained and increasing. There is a spread across a range of products and mitigation measures are being considered continually. This has also impacted on tariff reduction achievement, and this is also being continually reassessed by the Scottish Government. A price of £11.25 has been used for the November and December estimate in anticipation that cessation of short supply may in part be achieved but this may not be immediate and will need to be monitored.

The actual volume of items increases to November including nationally estimated items for October has increased further to 4.17% higher than 21/22, this remains higher than anticipated following a period of increased volumes in 21/22. The estimated position has been adjusted to include an overall 4.00% volume increase for the 9 months to December..

The price increase and volume increase both continue to move adversely impacting on the overall expenditure position to date.

h Primary Care Services (Forecast Position - £3,781,000 underspend)

The GP contract for 22/23 uplift has now been determined and allocations received included in the above noted position. A favourable variance of £62k on Global sum has resulted to M9 for this element.

The main overspend on enhanced services remains broadly consistent. From July Enhanced Services resumed with a period of protection for those with lower recorded activity. This protection has now ceased. Activity being recorded and submitted was lower than expected and practices were reminded to complete recording. Actual recorded activity is still being analysed to revise the forecast for Enhanced Services overall.

Premises continues with underspends, 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 remain, including Training Grant contribute to the overall underspend.

The underspend on Board administered funds including Seniority payments and locum payments has been reduced as a significant number of claims have been received for maternity and sickness cover.

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

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>

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

Direct Costs to be funded from Covid Reserve:-

Staff overtime and additional hours	335,000
Care Homes Sustainability	9,486,000
PPE Partnership	212,000
Chief Social Work Officer	24,000
	<u><u>10,057,000</u></u>

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

Council: £79,000 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	335	Required to support residential settings and for weekend working. Also agency staff taken on to process sustainability claims.
Care Homes Sustainability	9,486	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 – December 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 COVID-19

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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	7,230,194		
Quarter 3	3,424,739		
Quarter 4			
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	268,554,147	118,486,677	387,040,823

Appendix F: Budget Virements (balancing)

Health 7-9		£
Hierarchy Change	City Core Community Health	(87,711)
Hierarchy Change	Transforming Health and Wellbeing	87,711
IJB budget v3 - adjust covid budgets to match FPR	Direct Covid expenditure	307,000
Total Virements		307,000

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.