

Appendix A: Finance Update as at end March 2023

| Period 12 | Full Year Revised Budget £'000 | Period Actual £'000 | Period Variance £'000 | Variance Percent % | App B |
|--|---|---------------------------|-----------------------------|--------------------------|-------|
| Mainstream: | | | | | |
| Community Health Services | 40,615 | 40,237 | (378) | (0.9)% | a |
| Aberdeen City share of Hosted Services (health) | 30,206 | 29,126 | (1,080) | (3.6)% | b |
| Learning Disabilities | 39,429 | 40,665 | 1,236 | 3.1% | c |
| Mental Health and Addictions | 24,881 | 24,965 | 84 | 0.3% | d |
| Older People & Physical and Sensory Disabilities | 97,571 | 97,907 | 336 | 0.3% | e |
| Directorate | 2,345 | 1,890 | (455) | (19.4)% | f |
| Criminal Justice | 153 | 161 | 8 | 5.2% | |
| Housing | 2,139 | 2,139 | 0 | - | |
| Primary Care Prescribing | 39,244 | 42,928 | 3,684 | 9.4% | g |
| Primary Care | 45,162 | 41,544 | (3,618) | (8.0)% | h |
| Out of Area Treatments | 2,000 | 2,515 | 515 | 25.8% | i |
| Set Aside Budget | 52,719 | 52,719 | 0 | - | |
| Direct COVID Costs | 10,057 | 29,771 | 19,714 | 196.0% | j |
| Transforming Health and Wellbeing | 3,094 | 3,066 | (28) | (0.9)% | k |
| Uplift Funding | 1,904 | 0 | (1,904) | (100.0)% | |
| | 391,519 | 409,633 | 18,114 | 4.6% | |
| Funds: | | | | | |
| Integration and Change | 1,678 | 2,080 | 402 | 24.0% | |
| Winter Funding | 0 | 0 | 0 | - | |
| Primary Care Improvement Fund | 1,324 | 5,127 | 3,803 | 287.2% | l |
| Action 15 Mental Health | (74) | 1,014 | 1,088 | (1,470.3)% | |
| Alcohol Drugs Partnership | 16 | 858 | 842 | 5,262.5% | |
| | 2,944 | 9,079 | 6,135 | 208.4% | |
| | 394,463 | 418,712 | 24,249 | 6.1% | |

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

a Community Health Services (Position - £378,000 underspend)

Major Variances:

768,000 Across non-pay budgets
(470,000) Over receipt on income
(676,000) Staff Costs

Staffing costs underspend due to recruitment to vacancies particularly in Nursing and AHPs. Also late allocations called down in M12 with no additional cost.

This is augmented by an over recovery on income.

Overspend in Non pay is largely due to Property costs and Equipment costs.

b Hosted Services (Position £1,080,000 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 underspent position in city due to allocation of additional funding. The Grampian Wide service has an underspend position due to reduction on medical supplies Offset by overspends in Agency Nursing, Locums and Medical supplies.

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 (Position - £1,236,000 overspend)

Council: £1,315,000 overspent. Commissioned services were £979,000 overspent due to supplier uplifts. £253,000 overspent on staffing as more social workers have been recruited into the community LD team. £83,000 of various small overspends across the service.

NHS: A pressure has arisen due to a high cost care package £162,000, partially offset by underspends of £241,000 on staffing due to vacancies

d Mental Health & Addictions (Position - £84,000 overspend)

Council: £55,000 underspent. Staffing was £152,000 overspent as additional social workers have been recruited, however this was offset by a £193,000 over recovery of client charges and £14,000 various underspends in other areas.

NHS: £139,000 over due to various small overspends across the service.

e Older People & Physical and Sensory Disabilities (Position £336,000 overspend)

Client income was £1,568,000 over-recovered. This was offset by overspends of £725,000 on commissioned services, £175,000 on staffing, £316,000 on property costs (mainly due to utility costs), a new £374,000 debt charge relating to a care home, £192,000 under-recovery of other income and £122,000 of various other overspends.

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

f Directorate (Position – £455,000 underspend)

£668,000 underspend of funds awarded to the IJB by Scottish Government to recruitment additional staff as part of a social work redesign process. Offset by a £213,000 contribution made by the IJB to the Council towards the implementation of the new D365 system.

g Primary Care Prescribing (Position – £3,684,000 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. 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 as similar arrangements in prior years.

The estimated position to M12 includes an accrual for February and March. Actual data has now been received to January. The actual data indicates the item price continues to increase and is now in January is £11.37/item. The price in May 2022 was £10.67/item. The price increase is partly attributed to the impact of short supply causing an increase in prices, which is sustained and continues to increase. The is spread across a range of products and mitigation measures remain under review. This price increase has also impacted on tariff reduction achievement, and this remains under review by the Scottish Government . An item price of £11.40 has been used for February and March in anticipation that cessation of short supply issues will not be achieved, and the higher price will be maintained.

The actual volume of items increase to February including nationally estimated items for February has fallen slightly to 4.03% higher than 21/22, this remains higher than anticipated following increased volumes in 21/22. The estimated position has been adjusted to include an overall 4.03% volume increase for the 12 months to March.

The price increase and volume increase remain the main cost drivers impacting on the overall expenditure position to M12.

h Primary Care Services (Position - £3,618,000 underspend)

The GP contract for 22/23 uplift was determined and allocations received included in the above noted position. A small favourable variance on overall Global sum has resulted to M12 for this element.

The main overspend on enhanced services has increased further relating to levels of activity now being undertaken and claims received at the year end. From July Enhanced Services resumed with a period of protection for those with lower recorded activity. This protection has now ceased completely.

Premises continues with overall material underspends 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 the Training Grant which contributes to the overall underspend.

The underspend on Board administered funds has reduced following a significant number of year end claims having been received for maternity and sickness locum cover

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

i Out of Area Treatments (Position - £515,000 overspend)

The current position for the year is an overspend of £515,000 (slight increase from 21/22 overspend of £494,000)

The makeup of the change is:-

| | |
|---|---------------|
| Reductions in spend | |
| Impact of discharges during 22/23 | (86,000) |
| Impact of move within a placement | (55,000) |
| Net change in other out patient / short stay activity | (49,000) |
| Increases in spend | |
| Full year effect 22/23 placement | 38,000 |
| Detox cases | 95,000 |
| Due to pay and prices | 78,000 |
| Net change in spend and in overspend | <u>21,000</u> |

j COVID -19 Costs (Position - £19,714,000 overspend).

Funded from Covid Reserve:-

| | |
|---|-------------------|
| Actual claims paid and provided for during the year | 10,030,000 |
| Repaid to the Scottish Government | 9,684,000 |
| | <u>19,714,000</u> |

k Transforming Health and Wellbeing (Position - £28,000 underspend).

Council: £56,000 underspent, mostly on parent carer support payments.

NHS: Overspends due to unfunded posts offset by vacancies.

l Funds

The funds have been updated with the correct allocation and total spend for the year.

The relevant earmarked Reserves have been adjusted accordingly.

Appendix C: Mobilisation Plan Costings

**Budget
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 – March 2023

| 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

0

Appendix E: Budget Virements (balancing)

| Health 10-12 | | £ |
|------------------------|-----------------------------|-------------|
| MEDICAL UPLIFT | Core Community | (68,565) |
| MEDICAL UPLIFT | Uplift Adjustments | 68,565 |
| RES TRANSFER RECURRING | Resource Transfer | 3,230,000 |
| RES TRANSFER RECURRING | Uplift Adjustments | (3,230,000) |
| REDESIGN FUND | Core Community | (122,124) |
| REDESIGN FUND | Uplift Adjustments | 122,124 |
| THAW CHANGES | Core Community | (136,365) |
| THAW CHANGES | Strategy and Transformation | 136,365 |
| HOSP AT HOME REALIGN | Core Community | 104,210 |
| HOSP AT HOME REALIGN | Prior Year Reserves | (104,210) |
| HOSTED MEDICAL | City Hosted Services | 141,226 |
| HOSTED MEDICAL | Uplift Adjustments | (141,226) |
| COVID CLAIMS | Primary Care | 18,011 |
| COVID CLAIMS | Covid | (18,011) |
| COVID BUDGET | Resource Transfer | 9,749,600 |
| COVID BUDGET | Covid | (9,749,600) |
| 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 | | - |

Appendix F: 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. |