



RISK, AUDIT AND PERFORMANCE COMMITTEE

Date of Meeting	19 September 2023
Report Title	Quarter 1 (2023/24) Financial Monitoring Update – period ended 30 June 2023
Report Number	HSCP23.063
Lead Officer	Paul Mitchell, Chief Finance Officer
Report Author Details	Paul Mitchell, Chief Finance Officer PauMitchell@aberdeencity.gov.uk
Consultation Checklist Completed	Yes
Appendices	Appendix A -Finance Update as at end June 2023 Appendix B - Variance Analysis Appendix C - Progress in implementation of agreed savings – June 2023 Appendix D - Budget Reconciliation Appendix E - Budget Virements Appendix F - Summary of risks and mitigating action



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1. Purpose of the Report

- a) To summarise the revenue budget performance to 30 June 2023 for the services within the remit of the Integration Joint Board (IJB), to advise on any areas of risk and management mitigating action and to approve the budget virements so that budgets more closely align to anticipated income and expenditure.

2. Recommendations

2.1. It is recommended that the Risk, Audit and Performance Committee:

- 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 E

3. Summary of Key Information

Background

- 3.1. During the budget setting process for the financial year 2023/24, significant pressures and savings were highlighted and agreed. These are accounted for in the full year revised budget column per Appendix A.

Aberdeen City IJB Financial Information

- 3.2. 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 June 2023 is as follows:



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	As at 30 June 2023
	£'000
Overspend\(\Underspend) as at (Appendices A and B)	(11)
Represented by:	
Overspend\(\Underspend) on Mainstream Budgets (Appendix B)	(11)

- 3.3. The mainstream position is showing a slight underspend on the budget and information on the individual variances to date are contained in Appendix B.
- 3.4. Prescribing received a significant budget uplift this financial year, unfortunately, this does not appear to have been sufficient. Pressures are being reported across Grampian and nationally.
- 3.5. The current budget position across Grampian is to be the focus of the Primary Care Prescribing Group on 14 November 2023.
- 3.6. All Budget Holders have regular review meetings with dedicated finance staff to ensure that service delivery remains within the agreed budgets. All forecast variations are reported on the quarterly monitoring statements, with the Senior Leadership Team receiving regular monthly financial updates to continually monitor the overall forecast position.
- 3.7. During the budget setting process, funding is allocated to budget lines based on current information. Throughout the year, actual expenditure can be incurred on a different basis and this may necessitate the requirement to realign the budgets. Additionally, funding may also be received from the Scottish Government that would increase our ability to spend, the mechanism to reallocate and realign the figures is by way of budget virements. Further information on the virement process is contained within paragraph 3.4 and Appendix 1 of the [JB Financial Regulations](#). Appendix E of this report lists the virements required in the first quarter and these balance to zero.



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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.

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 IJB cannot deliver on priorities, statutory work, and project an overspend.



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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.