



Integration Joint Board
Finance, Performance and Quality Committee

9th July 2024

This Report relates to
Item 5a on the Agenda

Finance Update Year End 2023/24

Paper presented by Katy Kerr

For Discussion and Noting

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List of Background Papers:	Not required
Appendices:	None

Direction Required to Council, Health Board or Both	Direction to:	
	1. No Direction Required	X
	2. Dumfries and Galloway Council	
	3. NHS Dumfries and Galloway	
	4. Dumfries and Galloway Council and NHS Dumfries and Galloway	

1. Introduction

- 1.1 This report presents the summary financial performance of the budgets delegated to the Integrated Joint Board (IJB) as at 31 March 2024 for the financial year 2023/24.

2. Recommendations

- 2.1 **The Integration Joint Board Finance, Performance and Quality Committee is asked to note:**
- **Additional funding of £20.018m was released from the NHS Board to the IJB, part of which was additional financial support the NHS received from Scottish Government (SG) for 2023/24 which is repayable.**
 - **All numbers are draft subject to external audit scrutiny of the NHS, Council and IJB accounts.**
 - **The level of IJB ringfenced reserves held as at 31 March 2024 is £8.8m (£15.4m at 31 March 2023).**

3. Background and Main Report

3.1 Background

- 3.2 This consolidated report brings together the financial reporting of all services delegated to the IJB from the NHS and the Council. It presents the draft final position for the IJB as a whole for the year ending 2023/24.

3.3 Main Body of the Report

- 3.4 The final position of the IJB reports a break-even position. This has been delivered as per the Integration Scheme, with the NHS Board funding a range of cost pressures and overspends throughout the year. An additional £20.018m was passed across which was funded through the brokerage funding of £23m received from SG on a non-recurring basis for 2023/24; this was passed by the NHS Board to the IJB and is repayable.

- 3.5 The annual accounts process for the year ended 31 March 2024 is now underway.

Services Delegated to IJB

- 3.6 Table 1 summarises the break-even position across the delegated budget and it reflects the position as at Month 12 and indicates areas of over and underspend across all of the operational directorates after receipt of additional funding through the NHS Board:

Table 1 – Summary of delegated budget variances

AREA	2023/24 Annual Budget	2023/24 Actual Outturn	2023/24 Variance
	£000s	£000s	£000s
IJB DELEGATED SERVICES			
NHS			
Acute and Diagnostics	151,112	158,257	(7,145)
Facilities and Clinical Support in Ehealth	40,777	44,789	(4,012)
Mental Health Directorate	33,182	31,850	1,332
Community Health and Social Care (NHS)	74,867	77,734	(2,867)
Primary Care Services	55,380	54,990	390
Women's and Children's Directorate	31,152	30,627	525
Strategic IJB Services	23,198	22,737	461
Central funding not distributed	1,756	0	1,756
Non Recurring Flexibility delivered	10,353	0	10,353
Recurring Deficit	(29,935)	0	(29,935)
Additional non repayable funding allocated from SG	9,124	0	9,124
Repayable additional SG funding	20,018	0	20,018
COUNCIL			
CHSC - Adult Services (Regional)	19,755	19,025	730
CHSC - Adult Support & Protection	1,156	1,162	(6)
CHSC - Management & Governance	1,583	1,106	477
CHSC - Physical Disability Support	7,361	8,187	(826)
CHSC - Short Term Care (Older People)	41,606	39,242	2,364
Mental Health - In House Complex Care & Support	6,413	5,944	469
Learning Disability Support	25,726	29,986	(4,260)
Mental Health Support	2,368	3,209	(841)
Non Recurring support from IJB Reserves	1,892	0	1,892
IJB SERVICES TOTAL	528,845	528,845	0

3.7 Delivery of a balanced position for 2023/24 was achieved after additional non-recurrent funding was made available to off-set the overspends across IJB delegated services through the brokerage funding from the NHS Board and the use of reserves for the Council delegated budget.

3.8 There were a range of fortuitous underspends which in the main relate to vacancies and incremental drift within the operating directorates, primarily within Mental Health, Women and Children's and Community Health and Social Care. These are on a non-recurring basis, offsetting a range of cost pressures and cannot be relied upon in the long term to offset other areas of budget pressures.

Budget pressures continued to be seen across all operating directorates throughout the year, but most significantly within:

Acute and Diagnostics in relation to medical locum use at DGR1

- Additional staffing and ward consumables for capacity/surge/acuity pressures being seen across Acute, Women and Children's and Mental Health
- Galloway Community Hospital pressures including medical, nursing, radiology and accommodation costs
- Diagnostic pressures
- Medicines with significant increase in both price and volume

- Insulin pumps and consumables
- Summer months energy usage at DGRI
- VAT energy charge for DGRI
- Additional residencies accommodation pressures in Dumfries
- Additional cleaning costs

3.9 The Social Work position was a balanced budget at year end with an underspend on both Older People Care at Home and Care Home budgets as a result of reductions in places available and general capacity. There are pressures in the more specialist care budgets of Learning and Physical Disabilities where there continue to be increasing numbers of high-cost care placements, in some cases with a lack of in-region care leading to out of region placement. Overall, the service drew down £4.3m of reserves to supplement the budget of which £2.3m was for planned one off spend and £1.9m for budget overspends.

Savings

3.10 Savings of £19.798m (including use of reserves) were delivered in 2023/24 to support the delivery of a balance position. However, there is a shortfall on recurring savings. The in-year shortfall on the recurring savings target will require to be delivered in 2024/25 in addition to the existing 2024/25 target; this is a result of delays in the implementation of schemes. This has been built into the agreed Financial Plan position for 2024/25.

Table 2 - Savings Plans Delivery 2023/24

	Council Recurring £000s	NHS Recurring £000s	Total Recurring £000s	Council N/R £000s	NHS N/R £000s	Total N/R £000s	Overall Total £000s
Target	4,000	5,160	9,160	1,956	12,055	14,011	23,171
Medicines Reduction		2,331	2,331			0	2,331
Estates and Digital		430	430		334	334	764
Service NHS Reviews/financial flex		394	394		10,353	10,353	10,747
Service Reviews/ savings Council	2,020		2,020	2,044		2,044	4,064
Use of IJB reserves			0	1,892		1,892	1,892
Achieved	2,020	3,155	5,175	3,936	10,687	14,623	19,798
Over/under achieved	(1,980)	(2,005)	(3,985)	1,980	(1,368)	612	(3,373)

Reserves

3.11 The IJB carried forward reserves of £15.5m into 2023/24 relating to the balance of the ringfenced allocations received but unspent at the 31 March 2023. The level of reserves has reduced to £8.8m as set out in Table 2 below.

Table 3 – Summary of IJB Reserves

	31/03/23 £m	31/03/24 £m
Adults Social Care Winter Planning	1.2	0.2
Alcohol and Drugs Partnership	1.1	0.2
Community Living Change Fund	0.4	0.3
Mental Health Recovery and Renewal	1.2	0.5
Mental Health Strategy	0.3	0
Primary Care Improvement Fund	0.6	0.2
Social Care Fund	6.6	4.3
Winter Planning Health and Social Care	4.1	3.1
TOTAL	15.5	8.8

3.12 The reserves noted above are ringfenced allocations and are fully committed and remain set aside for the purposes they were originally allocated to. The IJB has no general reserves.

Financial Plan 2024/25

3.13 The IJB considered the draft Financial Plan for 2023/24 at its meeting on 16 April 2024. There remains a significant in-year financial gap between projected spend as compared to the funding from Partner bodies.

3.14 A more detailed review of progress on the plan is being presented alongside this year end report at the Finance, Performance and Quality Committee on the 9 July 2024 and the Quarter One financial forecast will be prepared and presented to the IJB when it meets in September 2024. The performance against the approved Financial Plan and Quarter 1 forecast will continue to be formally re-assessed throughout the year as in previous years.

3.15 Whilst there has been no formal reassessment of the position since the April 2024 meeting, progress has been made on a range of actions driven through the Director of Finance, Operational Teams, and the Finance team, as directed by the Financial Recovery Board. This work includes early forecasting to identify any early indicators of further financial risks that the IJB may be exposed to which are outwith the approved Financial Plan. Work on the development of savings schemes is progressing through the Financial Recovery Board and reported through Health and Social Care Leadership Group.

3.16 Discussion on the financial position by operational directorates including the Day 0 review, savings delivery and an assessment and categorisation of cost pressures, has been initially reported through the bimonthly discussions with the Interim Chief Officer and through updates to Health and Social Care Leadership Group planned as part of the Quarter 1 assessment.

3.17 As a result of the scale of the NHS deficit, the Director of Finance and Chief Executive meet regularly with SG, with the next scheduled meeting on the 12 July 2024 and has confirmed that the NHS Board remains on level 2 of the escalation framework.

3.18 More detailed updates on the financial recovery work and progress to date will be regularly reported through the committee.

4. Conclusions

4.1. This report provides an update of the 2023/24 position as at 31 March 2024 (subject to external audit). It also confirms that the Annual Accounts process is currently underway and sets out progress on overall financial position for 2024/25.

5. Resource Implications

5.1. Funding implications are considered as part of the overall Financial Plan and budget setting for the IJB. The IJB strategic risk in relation to resources

6. Impact on Integration Joint Board Outcomes, Priorities and Policy

6.1. The Financial Plan has a key role in supporting the delivery of the Strategic Plan.

7. Legal and Risk Implications

7.1. There are no legal or risk implications identified.

8. Consultation

8.1. Consultation with Senior Finance Team across NHS and Council.

9. Equality and Human Rights Impact Assessment

9.1. As this report does not propose a change in policy/strategy/plan/project, it is not necessary to complete an impact assessment. Individual savings schemes and difficult decisions will be impact assessed.

10. Glossary

IJB	Integration Joint Board
SG	Scottish Government

Dumfries and Galloway Integration Joint Board



DIRECTION

(ISSUED UNDER SECTIONS 26-28 OF THE PUBLIC BODIES (JOINT WORKING) (SCOTLAND) ACT 2014)

1.	Title of Direction and Reference Number	
2.	Date Direction Issued by Integration Joint Board	
3.	Date from which Direction takes effect	
4.	Direction to	
5.	Does this direction supersede, amend or cancel a previous Direction? If yes, include the reference number(s)	
6.	Functions covered by Direction	
7.	Full text of Direction	
8.	Budget allocated by Integration Joint Board to carry out Direction	
9.	Desired Outcomes	
10.	Performance Monitoring Arrangements	
11.	Date Direction will be Reviewed	