



Dumfries and Galloway  
Integration Joint Board

4<sup>th</sup> March 2025

This Report relates to  
Item 8 on the Agenda

# Financial Performance Update – Quarter Three

*Paper presented by Katy Kerr*

*For Discussion and Noting*

|                                   |  |
|-----------------------------------|--|
| <b>Author:</b>                    | Katy Kerr, Chief Finance Officer, IJB - <a href="mailto:katy.kerr@nhs.scot">katy.kerr@nhs.scot</a> |
| <b>List of Background Papers:</b> | None   |
| <b>Appendices:</b>                | None   |

|  |  |   |
|--|--|---|
| <b>Direction Required to Council, Health Board or Both</b> | <b>Direction to:</b>   |   |
|  | 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 an update on the financial performance for the budgets delegated to the Integration Joint Board (IJB) based on the position at the end of Quarter Three (Q3) of financial year 2024/25. This position assesses the forecast financial performance for 2024/25 as compared to the original Financial Plan which was approved by the IJB in April 2024. It is recognised the financial position for 2024/25 remains incredibly challenging and there are a number of significant emergent risks which have arisen since this initial budget was agreed.

## 2 Recommendations

- 2.1 **The Integration Joint Board is asked to note the following recommendations:**
- **Assurance – The IJB is asked to take assurance in relation to the update on the financial position and the measures being taken, however, recognise that the current in-year gap has increased to £31.6m given the latest forecast on operational budgets overspend and allocation reductions.**

## 3 Background and Main Report

### Opening Plan for 2024/25

- 3.1 This report details the opening Financial Plan position for Dumfries and Galloway IJB for 2024/25. The Financial Plan was approved at the IJB in April 2024 and set out an estimated projected financial gap for 2024/25 of £20.079m. The plan identified a savings target of £20.857m which must be achieved to reduce the deficit to that level.
- 3.2 This report provides an update of the forecast position as at Q3 financial review and assesses the impact on the in-year position for the delegated budgets.
- 3.3 The table below summarises the overall opening financial plan position presented by the Chief Financial Officer. This confirms the overall assessment of the financial position, pressures, allocations and savings requirement for the financial year 2024/25. It set out an exceptionally challenging position given the scale of underlying deficit and the level of savings required to be delivered to achieve the plan as set out.

**Table 1 – IJB Financial Plan 2024/25**

| IJB Financial Plan   | Final Financial Plan |                 |                 |
|--|----------------------|-----------------|-----------------|
|  | NHS<br>£000          | Council<br>£000 | Total<br>£000   |
| 2024/25 Opening Deficit  | (25,101)             | 0               | (25,101)        |
| 2024/25 Uplift Planning Assumptions  | (5,302)              | (9,275)         | (14,577)        |
| 2024/25 Anticipated directorate cost pressures                                 | (5,000)              | (3,757)         | (8,757)         |
| Agreed investment/ funding for local and national decisions                    | (2,000)              | (494)           | (2,494)         |
| Additional funding from Local Government (LG) settlement                       | 0                    | 8,055           | 8,055           |
| Additional funding from Scottish Government assumed (New Medicines Fund (NMF)) | 930                  | 0               | 930             |
| Savings Targets  | 16,394               | 4,463           | 20,857          |
| Planned use of IJB reserves  | 0                    | 1,008           | 1,008           |
| <b>Target In-Year Position</b>   | <b>(20,079)</b>      | <b>0</b>        | <b>(20,079)</b> |

- 3.4 The budget was agreed on the basis that the Council delegated budgets will deliver a breakeven position only through the use of non-recurring unallocated reserve balances. This assumed that all recurring savings are delivered and no additional significant budget pressures materialise as Councils are required to deliver a

balanced budget.

- 3.5 The NHS Board also has a statutory financial target to deliver a break-even position against its Revenue Resource Limit (RRL), with the budget as agreed for 2024/25 shows a forecast deficit position. There has been significant engagement with Scottish Government around the Financial Plan and a recognition that a break-even position for 2024/25 could not be achieved without additional financial support. Even with that additional financial support there will be a funding gap and therefore an overspend position is inevitable. The NHS Board remains on level 2 on the Scottish Government's escalation framework and is in receipt of tailored support to deliver its Financial Recovery Programme, with ongoing dialogue around savings progress and support for delivery of the Financial Recovery Programme.
- 3.6 The opening position did not recognise underlying directorate overspends within NHS budgets.

### **Q3 Review**

- 3.7 The Q3 review of the 2024/25 Financial Plan has now been completed and the output is detailed in the various sections below.
- 3.8 At Quarter One funding was confirmed to support the increases in the Scottish Living Wage for the Council delegated budget with a 0% uplift for the NHS budget. Funding to support pay uplifts for NHS and Council pay uplifts for 2025/26 have been received and this issue is concluded
- 3.9 There are however ongoing risks associated with the Agenda for Change non pay costs and associated funding which require to be factored into the year end position, either through accruals, provisions or contingent liabilities.
- 3.10 There are ongoing conversations with Scottish Government around a number of allocations In addition there are a number of allocations which have been received at lower levels than previously notified, specifically Mental Health Recovery funding and Multi-Disciplinary Teams funding giving an additional shortfall of around £0.9m and impacting on the overall financial position of the IJB.

### ***NHS Delegated Services***

- 3.11 At the end of month 9, the NHS delegated budgets has been summarised an included in table 2 below.
- At Month 9 NHS Dumfries and Galloway are reporting a £24.116m overspend on delegated services to the IJB increasing to a forecast position of £31.157m at the year end.
  - The Directorates are showing an overspend of £11m after accounting for central funds not yet distributed.
  - No allowance has been included for any slippage on the savings plan but it has been assumed that has been delivered on a non-recurring basis based on latest estimates.

**Table 2 – Month 9 Position NHS Delegated Budget**

| <b>Directorates @ Mth 9</b>          | <b>YTD Budget<br/>£000</b> | <b>YTD Actuals<br/>£000</b> | <b>YTD Variance<br/>£000</b> | <b>Year End Forecast<br/>£000</b> |
|--------------------------------------|----------------------------|-----------------------------|------------------------------|-----------------------------------|
| Acute Directorate                    | 115,887                    | 123,650                     | (7,763)                      | (10,307)                          |
| Facilities & Clinical Support        | 32,661                     | 33,614                      | (953)                        | (2,027)                           |
| Mental Health Directorate            | 26,421                     | 25,451                      | 970                          | 1,311                             |
| Community Health + Social Care       | 57,916                     | 61,259                      | (3,343)                      | (4,378)                           |
| Primary Care Services                | 41,576                     | 41,369                      | 207                          | 0                                 |
| Womens & Childrens Directorate       | 23,627                     | 23,502                      | 125                          | 92                                |
| Strategic Services                   | 15,365                     | 14,927                      | 438                          | 397                               |
| <b>Directorates</b>                  | <b>313,452</b>             | <b>323,771</b>              | <b>(10,319)</b>              | <b>(14,912)</b>                   |
| Centrally Held being released        | 1,296                      | 0                           | 1,296                        | 8,534                             |
|                                      | <b>314,748</b>             | <b>323,771</b>              | <b>(9,023)</b>               | <b>(6,378)</b>                    |
| £20m Target deficit                  | (15,093)                   | 0                           | (15,093)                     | (20,079)                          |
| Unachieved Saving against<br>£16.39m | 0                          | 0                           | 0                            | 0                                 |
|                                      | <b>(15,093)</b>            | <b>0</b>                    | <b>(15,093)</b>              | <b>(20,079)</b>                   |
|                                      | <b>299,655</b>             | <b>323,771</b>              | <b>(24,116)</b>              | <b>(26,457)</b>                   |

- 3.12 Financial pressures continue to be seen across the operating directorates both within pays and non-pays as a result of the higher activity levels, case mix complexity, as well as higher levels of inflationary pressures being experienced within non-pays.
- 3.13 The key areas of overspend which continue to be reported within the £11m directorate pressures are noted below, although these are being offset by vacancies, other budget underspends and centrally held funding, this is not sufficient to return them to financial balance as anticipated as part of the opening financial plan.

**Table 3 – Month 9 NHS Delegated Budget Cost Pressures**

| Directorate          | Pressure Description                                   | Ongoing from previous yr or emerging in yr | Type    | Mth 9 Position  |
|----------------------|--|--|---------|-----------------|
| Primary Care         | GMS - Southern Machars 2C Practice locum usage         | Existing                                   | Pay     | (223)           |
| CHSC                 | GPOOHs Locums - East                                   | Existing                                   | Pay     | (208)           |
| CHSC                 | Mountainhall Beds - 12 included in RCRP + surge        | Existing                                   | Pay     | (1,314)         |
| CHSC                 | Machars Home Team (until outcome of RCRP)              | Existing                                   | Pay     | (285)           |
| Women & Children     | Midwifery East - Additional posts following Best Start | Existing                                   | Pay     | (212)           |
| Operational Services | Domestics and Porterage staffing                       | Existing                                   | Pay     | (487)           |
| Operational Services | Catering staffing                                      | Existing                                   | Pay     | (40)            |
| Acute & Diagnostics  | AHPs - pressure from agency use to cover vacancies     | Existing                                   | Pay     | 0               |
| Acute & Diagnostics  | Utilisation of additional nursing across DGRI          | Existing                                   | Pay     | (708)           |
| Acute & Diagnostics  | ED Middle Grade cover                                  | Existing                                   | Pay     | (644)           |
| Acute & Diagnostics  | GCH Medical cover                                      | Existing                                   | Pay     | (764)           |
| Acute & Diagnostics  | GCH nursing  | Existing                                   | Pay     | (263)           |
| Acute & Diagnostics  | Imaging staffing                                       | Existing                                   | Pay     | (382)           |
| Acute & Diagnostics  | Junior doctor banding                                  | Existing                                   | Pay     | (361)           |
| Acute & Diagnostics  | Medical staff in HR cases covered by agency            | Existing                                   | Pay     | (228)           |
| Acute & Diagnostics  | Medical middle grade                                   | Existing                                   | Pay     | (345)           |
| Acute & Diagnostics  | Service driven medical cost pressures                  | Existing                                   | Pay     | (836)           |
| Acute & Diagnostics  | Lothian SLA Medical Outreach Oncology Clinics          | Emerging                                   | Pay     | (63)            |
|                      | <b>Pays Subtotal</b>                                   |  |         | <b>(7,363)</b>  |
| Acute & Diagnostics  | Medicines  | Existing                                   | Non Pay | (2,554)         |
| CHSC                 | Prescribing  | Existing                                   | Non Pay | (2,645)         |
| CHSC                 | Diabetes Pumps & Consumables                           | Existing                                   | Non Pay | (884)           |
| CHSC                 | Marie Curie Contract - Rapid Response & Planned        | Existing                                   | Non Pay | (155)           |
| Operational Services | Demand on Dumfries residencies                         | Existing                                   | Non Pay | (172)           |
| Operational Services | Pressures on equipment replacement/repairs             | Existing                                   | Non Pay | (145)           |
| Operational Services | VAT on DGRI utilities                                  | Existing                                   | Non Pay | (372)           |
| Operational Services | DGRI Energy Consumption                                | Existing                                   | Non Pay | (74)            |
| Acute & Diagnostics  | Labs- additional spend on tests                        | Existing                                   | Non Pay | (237)           |
| Acute & Diagnostics  | Surgical Sundries/ Other Equipment                     | Existing                                   | Non Pay | (1,441)         |
|                      | <b>Non Pays Subtotal</b>                               |  |         | <b>(8,679)</b>  |
| Operational Services | Underrecovery of green income                          | Existing                                   | Income  | (112)           |
|                      | <b>Total Cost Pressures identified</b>                 |  |         | <b>(16,154)</b> |

- 3.14 There are a number of additional risks in the position which have been set out below
- Increasing activity in Emergency Department, Combined Assessment Unit and Wards resulting in additional staffing requirements and non-pay pressures
  - Further worsening of medicines (price and volume) across both Acute and Primary care
  - Further unplanned activity through other Boards (Acute and Mental Health)
  - Surge beds are not able to be closed due to activity pressures
  - Emerging operational issues which cannot be held off into future year
  - Inability to reduce or remove cost pressure due to clinical risk
  - Lack of new vacancies arising to benefit from further vacancy control measures
  - There is limited flexibility remaining to deal with anything arising in remaining months
- 3.15 The GP Prescribing budget is £2.6m over spent at month 9, this is £1.0m higher than was planned for after nine months of the financial year. Half of the increased expenditure relates to higher than expected growth in the volume of medicines prescribed, with D&G aligned to the average growth across Scotland in 2024/2025. There has also been unforeseen increase to our average drug price, up 2.8% since the start of the financial year. Growth in the latest quarter from September to December has stabilised, with volume remaining on the trend seen in the first six months of 2024/2025 and December prices below the average for this financial year.
- 3.16 Additional measures have been introduced in the final quarter of 2024/25 to review all staff vacancies which arise and to hold all vacancies until the end of March 2025 at least that don't impact on direct patient care. A new portal for the scrutiny of non-

pay spend has also been introduced from January 2025.

- 3.17 A review of all cost pressures is being undertaken through the NHS Financial Recovery Board to assess how these can be managed in year as a critical part of the overall management of the financial position is to ensure that wherever possible directorates contain costs within budgets.
- 3.18 The NHS Board has an agreed savings programme to deliver savings of £18.3m of which £16.4m form part of the delegated budget. To date savings of £15.8m of savings have been delivered for 2024/25 which the balance assumed to be delivered in the final quarter. Although having delivered the target in year, the split of recurring/non-recurring is not as planned with £5.6m of the target delivered recurrently with the balance £10.8m non recurrently.
- 3.19 Scottish Government has confirmed that brokerage will be provided to cover the full extent of the forecast NHS overspend position for 2024/25 and discussions are ongoing with the NHS Board to ensure an additional payment is made to the IJB to bring it back into financial balance for the current year. This is unlikely to be the position for future years.

### **Council Delegated Service**

- 3.20 Adult Social Work Services in currently forecasting to be £5.2m above the available budget, after the drawdown of £573k reserves for agreed commitments. The main pressure areas being care for Physical Disability, Learning Disability and Mental Health Support. A further breakdown of these pressures can be seen in (table 5)
- 3.21 The position is partly being offset by significant one-off underspends on employee costs and on-going savings that have been delivered against third sector support contracts.
- 3.22 IJB reserves brought forward from 2023/24 were £5.4m with £4.8m remaining unallocated. This £4.8m will be required to reduce the overspend position to £454k.

**Table 4 – Quarter three position Council Delegated Budget**

| IJB Delegated Services              | LY Actual Spend    | Budget (inc Virements) | Current Year Forecast | Costs to be met from Reserves | Revised Forecast   | Revised Forecast Variance 24/25 (NHS Format) |
|-------------------------------------|--------------------|------------------------|-----------------------|-------------------------------|--------------------|--|
| Adult Services (Regional)           | 19,024,911         | 21,094,496             | 20,618,464            | 331,080                       | 20,287,384         | 807,112                                      |
| Adult Support & Protection          | 1,162,306          | 1,221,077              | 1,223,791             | 16,015                        | 1,207,775          | 13,302                                       |
| Management & Governance             | 804,130            | 1,253,085              | 1,348,597             | 226,284                       | 1,122,313          | 130,772                                      |
| Physical Disability Support         | 8,170,735          | 8,077,826              | 9,809,386             |                               | 9,809,386          | - 1,731,560                                  |
| Short Term Care (Older People)      | 39,537,914         | 43,239,404             | 43,937,315            |                               | 43,937,315         | - 697,911                                    |
| Community Health & Social Care      | 68,699,996         | 74,885,888             | 76,937,552            | 573,379                       | 76,364,173         | - 1,478,285                                  |
| In House Complex Care & Support     | 5,944,380          | 6,652,394              | 6,392,730             |                               | 6,392,730          | 259,664                                      |
| Learning Disability Support         | 29,990,204         | 29,413,518             | 32,725,274            |                               | 32,725,274         | - 3,311,756                                  |
| Mental Health Support               | 3,221,833          | 2,169,509              | 2,888,828             |                               | 2,888,828          | - 719,319                                    |
| Mental Health Directorate           | 39,156,417         | 38,235,421             | 42,006,832            | -                             | 42,006,832         | - 3,771,411                                  |
| <b>IJB Delegated Services Total</b> | <b>107,856,413</b> | <b>113,121,309</b>     | <b>118,944,384</b>    | <b>573,379</b>                | <b>118,371,005</b> | <b>- 5,249,696</b>                           |

- 3.23 There are underspends within Adult Services and management and governance which relate to vacancies across the service as well as savings which were achieved due to the ending of contracts. The majority of overspends relate to the purchase of care and these are further detailed in table 5.



3.24 The overspend for Physical Disability care support is forecast at £1.7m over. The overspend on care at home has increased by £428k in the last quarter to £1.1m over, which is due to increased part year costs in relation to the implementation of the National Flexible Framework (NFF). The cost of direct payments has increased with an increase in client numbers whereas the budget assumption was a decrease.

**Table 5 – Social Work pressure**

|                                    | 2023/24<br>B/fwd<br>Pressure | 2024/25<br>Revised<br>Forecast<br>Variance | 2025/26<br>B/fwd<br>Pressure | 23/24<br>Average<br>Clients | 24/25<br>Average<br>Clients | 24/25 'Open'<br>clients from<br>Commitment<br>@ Q3 |
|------------------------------------|------------------------------|--|------------------------------|-----------------------------|-----------------------------|--|
| <b>Older People</b>                |                              |  |                              |                             |                             |  |
| Direct Payments                    | 644,902                      | 1,348,506                                  | 1,592,812                    | 318                         | 364                         | 351  |
| Care at Home                       | - 1,757,876                  | - 750,381                                  | - 535,752                    | 1222                        | 1260                        | 1278   |
| Residential & Nursing Care         | - 1,174,491                  | 267  | - 7,547                      | 940                         | 942                         | 949  |
|                                    | - 2,287,465                  | 598,392                                    | 1,049,512                    |                             |                             |  |
| <b>Physical Disability Support</b> |                              |  |                              |                             |                             |  |
| Direct Payments                    | - 142,534                    | 433,347                                    | 736,806                      | 129                         | 140                         | 145  |
| Care at Home                       | 943,789                      | 1,082,779                                  | 948,863                      | 177                         | 191                         | 192  |
| Residential & Nursing Care         | 130,169                      | 77,978                                     | 72,795                       | 10                          | 10                          | 10   |
|                                    | 931,424                      | 1,594,105                                  | 1,758,464                    |                             |                             |  |
| <b>Learning Disability Support</b> |                              |  |                              |                             |                             |  |
| Direct Payments                    | 1,529,913                    | 1,863,779                                  | 1,991,115                    | 214                         | 221                         | 220  |
| Care at Home                       | 1,927,222                    | 595,443                                    | 1,322,668                    | 425                         | 441                         | 439  |
| Residential & Nursing Care         | 978,881                      | 1,347,447                                  | 1,320,452                    | 36                          | 35                          | 35   |
|                                    | 4,436,017                    | 3,806,669                                  | 4,634,235                    |                             |                             |  |
| <b>Mental Health Support</b>       |                              |  |                              |                             |                             |  |
| Direct Payments                    | - 45,611                     | - 88,210                                   | - 91,616                     | 20                          | 20                          | 19   |
| Care at Home                       | 919,263                      | 235,735                                    | 357,413                      | 116                         | 119                         | 123  |
| Residential & Nursing Care         | 152,045                      | 724,019                                    | 816,599                      | 14                          | 23                          | 23   |
|                                    | 1,025,697                    | 871,544                                    | 1,082,396                    |                             |                             |  |
| <b>TOTAL</b>                       | <b>4,105,674</b>             | <b>6,870,710</b>                           | <b>8,524,608</b>             | <b>3,621</b>                | <b>3,766</b>                | <b>3,784</b>                                       |

3.25 Overall Short-term care is £698k over which is made up of a mixture of variances. Within Occupational therapy there has been a pressure within Aids & Adaptations for a number of years of around £200k, of which an intended £100k savings target was applied at the beginning of 24/25. Around £50k of this appears to have been achieved with the remainder being offset against in year staffing underspends of around £136k. The net overspend position for 24/25 in this area is £11.5k

3.26 Residential and Nursing is currently forecasting a breakeven position. This area was previously forecasting and underspend, however the block contract for Right Care Right Place (RCRP) has now been purchased and part year costs are being forecast along with steadily increasing occupancy numbers.

3.27 Mental Health Directorate overall is forecast to be £3.7m overspent, costs have reduced from FY 23/24 however not to the level expected to deliver an overall balanced budget. The main reason for this overspend is in relation to Care within Learning Disability Support and Mental Health Support. Costs have increased from Q2 to Q3 across these care groups primarily due to NFF. Vacancies within our in-house complex care teams are partially offsetting the overspend.

3.28 Within Learning Disability services Care at home overspend has reduced in FY24/25 from the previous budget year, however this is still forecast to overspend by £595k. This is mainly due to increased costs associated with NFF. Direct payment costs have increased from the previous budget year from £1.5m to £1.9m despite having a savings target to reduce spend in FY 24/25. Residential and Nursing overspend has increased from £1m in the previous budget year level to £1.3m in 24/25, whilst client numbers have remained at the same level, there have been increases to the costs of several client packages. Vacancies within our in-house complex care teams are

partially offsetting the overspend.

3.29 Mental Health is forecasting to be £872k overspent. Care at Home is forecasting to be around £236k over. There continues to be one high-cost agency package with an annual cost of around £210k which is being offset by underspends within Direct Payments. Residential and Nursing spend has increased from last year because of a change in service delivery model which avoids costs within out of region placements and other service groups.

3.30 Most of the FY 24/25 savings' plans related to care and are difficult to track due to the limited capacity in the market, where capacity that is freed up often gets replaced by new care assessed need. Estimates of savings delivery are therefore based on movements in numbers and spend along with scrutiny within the multi-disciplinary decision-making teams. It is estimated that £2.2m of savings have been delivered on an ongoing basis and £124k on a one-off basis against the in-year target of £4.7m. The savings continue to be monitored through the Health and Social Care Leadership Team through the Interim Chief Officer, Chief Finance Officer, and Chief Social Work Officer.

### **Q3 Summary**

3.31 The Q3 assessment has concluded that this point in the financial year there is no improvement in the overall financial position, with some progress made towards savings delivery, but a range of cost pressures and risks impacting on the year to date position. The opening plan projected outturn £20.1m forecast has worsened based on the impact of the Mid Year/ Q3 review as set out below.

**Table 6 – IJB Q3 Forecast 2024/25**

| <b>IJB Draft Financial Plan</b>            | <b>NHS<br/>£000's</b> | <b>Council<br/>£000's</b> | <b>Total<br/>£000's</b> |
|--|-----------------------|---------------------------|-------------------------|
| Opening Financial Plan position 2024/25    | (20,079)              | 0                         | (20,079)                |
| Projected overspend on Social Work budget  |                       | (5,250)                   | (5,250)                 |
| Use of IJB reserves                        |                       | 4,796                     | 4,796                   |
| Other measures to improve position         |                       |                           | 0                       |
| Projected Overspend on Directorate budgets | (14,912)              |                           | (14,912)                |
| Centrally held in year reserves (offset)   | 3,834                 |                           | 3,834                   |
| <b>Quarter 3 forecast outturn</b>          | <b>(31,157)</b>       | <b>(454)</b>              | <b>(31,611)</b>         |

### **Reserves**

3.32 The IJB Annual Accounts for 2023/24 confirms the reserves carried forward into 2024/25 at a value of £8.78m. These are ringfenced allocations and remain set aside for the purposes they were originally allocated to; the IJB has no general reserves. At Q3 it has been assessed that all reserves will require to be released to support the year end position. The balance of the Community Change Living Fund as a ringfenced reserve will remain at end of year so reserves will be significantly reduced overall.

3.33 The carry forward balance compared to previous year is set out below:



**Table 7 – IJB reserve position at 31 March 2024**

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

#### **4 Conclusions**

4.1 The IJB is asked to take assurance in relation to the update on the financial position, recognising that break-even is only likely to be delivered through additional non-recurring repayable support through the NHS Board and through the use of IJB reserves within the Council.

#### **5 Resource Implications**

5.1 Funding implications are considered as part of the overall Financial Plan and budget setting for the IJB. There remains considerable financial risk in the overall position with the IJB forecasting a £23m deficit for 2024/25.

#### **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 The IJB's corporate risk in relation to resourcing was reviewed through the Audit, Risk and Governance Committee and was escalated to very high, given as a result of the forecast deficit.

7.2 In addition to the service risks, there is a potential impact around our recruitment strategy related to the cost of living crisis and our ability to maintain service levels as a result across Health and Social Care.

#### **8 Consultation**

8.1 Sean Barrett, Finance and Information Manager, Dumfries and Galloway Council, Glenn Moonie, Finance Officer, Dumfries and Galloway Council, Susan Thompson, Deputy Director of Finance NHS Dumfries and Galloway, Health and Social Care Leadership Team, NHS Board Management Team and Council Senior Leadership Team.

#### **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**

|      |                                       |
|------|---------------------------------------|
| AfC  | Agenda for Change                     |
| DGRI | Dumfries and Galloway Royal Infirmary |
| IJB  | Integration Joint Board               |
| NFF  | National Flexible Framework           |
| NMF  | New Medicines Fund                    |
| RCRP | Right Care Right Place                |
| RRL  | Revenue Resource Limit                |
| VAT  | Value Added Tax                       |

## 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  |  |