

WEST DUNBARTONSHIRE HEALTH & SOCIAL CARE PARTNERSHIP BOARD

31 May 2020

Subject: 2019/20 Financial Performance Update

1. Purpose

- 1.1** To provide the Health and Social Care Partnership Board with an update on the projected financial position as at period 12 to 31 March 2020.

2. Recommendations

- 2.1** The HSCP Board is recommended to:

- **note** the updated position in relation to budget movements on the 2019/20 allocation by WDC and NHSGGC and direction back to our partners to deliver services to meet the strategic priorities of the HSCP Board;
- **note** the projected revenue position for the period 1 April 2019 to 31 March 2020 is reporting a favourable (under spend) position of £2.286m;
- **note** the analysis of the reserve position and the draft balances as at 31 March 2020; and
- **note** the current financial monitoring commitments to the Scottish Government in relation to Covid-19 pandemic costs.

3. Background

- 3.1** At the meeting of the HSCP Board on 28 March 2019, Members agreed the revenue estimates for 2019/20. A total net budget of £158.946m was approved.
- 3.2** Since the March HSCP Board report there have been a number of adjustments and a total net budget of £163.051m is now being monitored as detailed within Appendix 1.
- 3.3** The 2019/20 financial year ended on 31 March 2020, however the complexities of closing down the annual accounts for the HSCP, adhering to the year-end timetables of both WDC and NHSGGC and providing a COVID-19 response means that the Period 12 position is still being finalised. The final outturn position will be reported within the 2019/20 unaudited annual accounts at the 25 June Special HSCP Board meeting to replace the 17 June Audit and Performance Committee.
- 3.4** The projected outturn underspend contained within this report may be subject to change as the year end process progresses, however all efforts have been made to ensure that any movement will not be material. Any significant changes will be clearly presented as part of the report on the 2019/20 draft unaudited accounts.

4. Main Issues

Summary Position

- 4.1 The projected revenue position for the period 1 April 2019 to 31 March 2020 is reporting a favourable (under spend) position of £2.286m.
- 4.2 The 2019/20 projected position is based on the period 12 ledger information and includes all known material accruals, (including some early Covid-19 related costs) and planned transfers to / from earmarked reserves at this stage of the year end accounts closure process. However as stated in sections 3.3 – 3.4 there is potential for movement, coupled with assumptions made around the planned additions and drawdown's to and from reserves. Final outturn figures and recommendations on reserves will be presented to the 25 June Special HSCP Board within the draft 2019/20 unaudited accounts.
- 4.3 The summary position is reported within Table 1 below which identifies an annual under spend of £2.286m (1.4% of the total budget). This consolidated summary position is presented in greater detail within Appendix 2, with the individual Health Care and Social Care reports detailed in Appendix 3.

Table 1 - Summary Financial Information as at 31 March 2020

Summary Financial Information	Final Budget	Actual Outturn	Actual Variance	Final Adjustment to Reserves	Adjusted Variance	Variance %
	£000's	£000's	£000's	£000's	£000's	£000's
Health Care	100,367	99,893	474	(935)	1,409	1.4%
Social Care	94,321	95,555	(1,234)	(414)	(820)	-0.9%
Expenditure	194,688	195,448	(760)	(1,349)	589	0.3%
Health Care	(4,899)	(4,899)	0	0	0	0.0%
Social Care	(26,738)	(28,431)	1,693	(4)	1,697	-6.3%
Income	(31,637)	(33,330)	1,693	(4)	1,697	-6.3%
Health Care	95,468	94,994	474	(935)	1,409	1.5%
Social Care	67,583	67,124	459	(418)	877	1.3%
Net Expenditure	163,051	162,118	933	(1,353)	2,286	1.4%

- 4.4 The overall projected net revenue position has improved by £0.931m from the financial projection (based on period 10 figures) reported to the 25 March HSCP Board Meeting with the main changes detailed in Table 2 below.

Table 2 - Movement in the Forecast Outturn since Last Reported

Reconciliation of Movements in Reported Position between Last Reported and Period 12	Forecast Full	Drawdown /	Reported
	Year	(Transfer to)	
	£000's	Earmarked	Position
		Reserves	£000's
		£000's	
Period 10 Favourable Variance Reported - Impact on Reserves	39	1,316	1,355
Period 12 Favourable Variance Reported - Impact on Reserves	933	1,353	2,286
Movement	894	37	931
Represented By:			
Increase in final spend within Children & Families mainly due to continued increase in the number of high cost placements within Residential Schools.	(421)	271	(150)
Service Level Agreement Income due from NHS Highland for use of WD Mental Health Inpatient beds has exceeded budgeted levels. The charge based on a 3 year rolling average is calculated at NHSGGC Board level as part of Cross Boundary Flow activity. This method is under review for 20/21	702	(76)	626
Non recurring spend within Addictions mainly due to delays in covering vacant Consultant Psychologist and Integrated Operations Manager posts and other earlier assumptions regarding staff recruitment which have not materialised.	113	0	113
Reduction in spend within Adult Community Services due to the non recurring underspend in relation to the integrated care fund, FIT team and delayed discharge being higher than first anticipated.	271	(43)	228
Non Recurring accumulation of other favourable variances across services.	230	(115)	115
Total	894	37	931

Significant Variances – Health Services

4.5 The position at 31 March 2020 is reporting an outturn underspend of £1.409m (1.48%). Due to the timing of the NHSGGC year end financial ledger closure the outturn can be held at this position. The key outturn variances are detailed below with further detail available within Appendix 3:

- **Planning and Health Improvement and Other Services** – underspends of £0.204m mainly due to delay in recruitment of vacant posts, timing of service redesign for Smoking Cessation and delivery of core priorities within existing team, releasing discretionary/non recurring funding to bottom line.
- **Adult Community Services** – underspend of £0.469m mainly due to part year impact of service redesign, including introduction of Focussed Intervention Team (phased rollout from October) and cessation of purchased step up/step down Care Home beds.
- **Addictions** – underspend of £0.166m due to staff turnover/recruitment delays.

- **Mental Health – Adult Community and Elderly Services** – underspend of £0.626m, mainly due to additional income due from NHS Highland under the terms of the Service Level Agreement. This is based on a 3 year rolling average and forms part of the overall calculation carried out by NHSGGC on cross boundary flow across health boards.
- **GP Prescribing** – Throughout the 2019/20 financial year the volatility of drug costs has been highlighted as the main risk factor on the overall financial performance of this £19.3m budget. The year end position is an overspend of £0.127m including costs of £0.345m related to a 25% spike in activity in March as preparations for the COVID-19 lockdown emerged. This additional cost has been absorbed within the overall Health underspend, however the Scottish Government have been informed of this additional cost through regular financial returns.

Significant Variances – Social Care

4.6 The position at 31 March 2020 is reporting a projected outturn underspend of £0.877m (0.62%). Due to the timing of the WDC year end financial ledger closure, this figure may be subject to change as final adjustments are made. The key projected outturn variations are detailed below with further detail available within Appendix 3:

- **Strategy, Planning and Health Improvement** – underspend of £0.383m due to a number of vacant posts and recharge of staff costs to capital.
- **Children and Families** – overspend £2.417m mainly due to:
 - a. Overspend of £1.686m within residential care due to the increasing pressure of high cost packages; and
 - b. Overspend of £0.862m within community placements due to the number of kinship and external foster placements since the start of the financial year.
- **Internal and External Residential Accommodation for Older People** – underspend of £1.287m due to reducing demand for care home/nursing beds arising from shorter stays, supporting people at home for longer and the impact of the moratorium on admissions in a local nursing home .
- **Learning Disability** – underspend of £0.326m due to ongoing review of client packages and planned drawdown of £0.095m from earmarked reserves to fund increased Scottish Living Wage agreements.
- **Physical Disability** – underspend of £0.201m due to a reduction in packages and a transfer of clients to older people services coupled with a reclaim of direct payments underspends from clients
- **Mental Health** – underspend of £0.252m due to a number of vacant posts remaining unfilled as the impact of Action 15 recruitment across Scotland and NHSGCC is rolled out.

- **HSCP Corporate Costs**– underspend of £0.683m due to delays in recruitment of service improvement leads and Scottish Government funding for investment in integration allocated to partially offset various overspends reported elsewhere. This was tracked throughout the financial year in the HSCP Board financial performance reports and adjusted for as part of the 20/21 budget setting exercise.

Criminal Justice Outturn

- 4.7 Reflected within the Partner summaries within Appendix 3 is a financial summary related to Criminal Justice, funded through specific, ring-fenced grant. The detail of the overall net position is shown in Appendix 3 £0.024m underspend transferred to earmarked reserves.

Update on Reserves

- 4.8 Table 3 provides an update on the draft HSCP reserve position and details anticipated movements based on the annual financial position as at 31 March. Since last reported there is an overall net increase in reserves of £1.205m mainly due to the improved financial position of £0.931m and a reduction in the drawdown of earmarked reserves of £0.274m.

Table 3 – Movement in Reserves

Movement in Reserves During 2019/20	Unearmarked Reserves	Earmarked Reserves	Total General Fund Reserves
	Restatement Balance	Restatement Balance	Restatement Balance
	£000	£000	£000
Opening Balance as at 31st March 2019	(2,457)	(4,723)	(7,180)
Total Comprehensive Income and Expenditure (Increase)/Decrease 2019/20	(352)	(581)	(933)
Closing Balance as at 31st March 2020	(2,809)	(5,304)	(8,113)

- 4.9 The draft annual accounts, to be presented to the HSCP Board on 25 June will include a detailed breakdown of general and earmarked reserves for approval. This is likely to include a proposal to benefit from the improved outturn position and create an earmarked reserve to support the HSCP as we move through the phases of recovery as we emerge from the Covid-19 pandemic. To support the Medium Term Financial Plan and in line with the current Reserves Policy the balance of general reserve will be in line with the 2% target of HSCP Board’s net expenditure budget, which equates to approx £2.8m.

Housing Aids and Adaptations and Care of Gardens

- 4.10 The Housing Aids and Adaptations and Care of Gardens for delivery of social care services is in scope as part of the minimum level of adult services which should be delegated to the HSCP Board and should be considered as an addition to the HSCP’s 2019/20 budget allocation of £67.583m from West Dunbartonshire Council.

- 4.11 These budgets are managed by the Council's – Regeneration, Environment and Growth Directorate on behalf of the HSCP Board.
- 4.12 The summary position for the period to 31 March is included in the table below and will be reported as part of WDC's outturn position.

Table 4 - Financial Performance as at 31 March 2020

Budgets Managed on Behalf of WD HSCP by West Dunbartonshire Council	Final Budget	Actual Outturn	Actual Variance	Variance %
	£000's	£000's	£000's	
Care of Gardens	440	440	0	0.0%
Aids & Adaptations	250	221	29	11.6%
Net Expenditure	690	661	29	4.2%

5. 2020/21 Revenue Budget and response to Covid-19 Pandemic

- 5.1 The HSCP Board approved the 2020/21 Revenue Budget on 25 March just as the country moved into "lockdown". At that time the budget offer from NHSGGC was indicative in lieu of formal approval from the Health Board on 21 April. However the Health Board, similar to the HSCP Board amended the current governance arrangements and moved to delegated powers through a slimmed down board arrangement. As such the HSCP Board has still to receive formal approval of the £96.039m, subject to any final month 12 recurring budget adjustments.
- 5.2 As with each new financial year the HSCP Board would not receive a financial performance update report until early August, based on period 3 data up to 30 June. This timetable remains unchanged. However, as communicated in the Chief Officer's regular updates to HSCP Board members, since the first weeks of Covid-19 pandemic there has been a requirement to provide the Scottish Government with detailed cost projections on the financial consequences of responding, as laid out in both local and NHSGGC mobilisation plans.
- 5.3 The latest financial tracker was submitted to the Scottish Government on Monday 18 May, via NHSGGC overall financial return. The tracker covers all Health and Social Care Services (delegated to the HSCP Board as per the Integration Scheme) for the period to 31 March 2021. The government have initiated a process of challenge, benchmarking and peer review to ensure there is consistency of approach.
- 5.4 The total cost of 18 May Tracker is a projected £9.6m additional cost to services responding to Covid. There are a number of very high level assumptions and projections at this early stage which will be refined as further information and guidance is received e.g. the review in the number of

sessions with the Clydebank and Renton Community Assessment Centres will reduce projected costs.

- 5.5** In line with the “Temporary Decision Making Arrangements” agreed by the Board on the 25 March, the Chair and Vice Chair of the HSCP Board have had the opportunity to consider the assumptions and details of the costs contained within the tracker. While the HSCP’s return forms part of the overall return for the health board, the costs are also visible to the council to allow for a complete picture of the West Dunbartonshire response to the pandemic.
- 5.6** On Tuesday 12 May the Scottish Government announced £50m of funding support for the ongoing development of HSCP Mobilisation Plans, and particularly to support immediate challenges in the social care sector. The HSCP’s share based on NRAC/GAE funding formula is £0.898m and funding will be routed through an additional allocation to NHSGGC Board. This will of course increase the 20/21 budget allocation as detailed in section 5.1 above.

6. People Implications

- 6.1** None.

7. Financial Implications

- 7.1** Other than the financial position noted above, there are no other financial implications known at this time. Any subsequent changes will be recorded within the 2019/20 draft unaudited accounts.

8. Professional Implications

- 8.1** The Chief Financial Officer (sect. 95 responsibility) for the HSCP Board must establish a robust annual budget process that ensures financial balance.
- 8.2** The Chief Officer for the HSCP Board must ensure that the Strategic Plan meets the best value requirements for economy, efficiency and effectiveness.

9. Locality Implications

- 9.1** None.

10. Risk Analysis

- 10.1** The main financial risks to the projected financial position relate to currently unforeseen costs and issues arising between now and the completion of the annual accounts process, including any early costs of responding to the Covid-19 pandemic. Any impact on the 2020/21 approved budget will be presented to a future HSCP Board if required.

11. Impact Assessments

11.1 None required.

12. Consultation

12.1 This report has been provided to the Health Board Assistant Director of Finance and the Council's Strategic Lead for Resources.

13. Strategic Assessment

13.1 Proper budgetary control and sound financial practice are cornerstones of good governance and support the Partnership Board and officers to pursue the strategic priorities of the Strategic Plan.

Julie Slavin – Chief Financial Officer

Date: 31 May 2020

Person to Contact: Julie Slavin – Chief Financial Officer, Church Street, WDC Offices, Dumbarton G82 1QL
Telephone: 01389 737311
E-mail: julie.slavin@ggc.scot.nhs.uk

Background Papers: 2019/20 Financial Performance Update, 2020/21 Budget Setting and Medium Term Financial Plan – March HSCP Board

Appendices: Appendix 1 – Budget Reconciliation
Appendix 2 – Revenue Budgetary Control 2019/20
(Overall Summary)
Appendix 3 – Revenue Budgetary Control 2019/20
(Health Care and Social Care Summary)

2019/20 Budget Reconciliation	Health Care £000	Social Care £000	Total £000
Budget Approved at Board Meeting on 28 March 2019	91,133	67,813	158,946
Period 3 Adjustments			
Family Health Services	416		416
Hep C Funding to Addictions	26		26
Additional 2.54% uplift on Continuing Care	14		14
Full Year Impact of Recurring Adjustments	25		25
Period 4 Adjustments			
Allocation of See Hear Budget from Council		5	5
Camchp33 Wd Sg Superan Uplift	1,128		1,128
Camchp35 Mh Strategy Action 15	94		94
Period 5 Adjustments			
Camchp43 St Margaret's Hospice Superan Uplift	32		32
Gvp19057 Tarrif Reduction - FHS Prescribing	(403)		(403)
Camchp50 Adp Funding	21		21
Uplift Ncl To Hscp - Gds - FHS Other	505		505
Period 6 Adjustments			
Transfer of postages budget to corporate		(4)	(4)
FHS GMS - X Chg Hscps 17c 19-20	(8)		(8)
SESP - Chd Eat Up - West D (PHI)	50		50
SESP - Diabetes - Wd (Adult Community)	20		20
SESP - Ldl Team From Ld To Hscps	12		12
Period 7 Adjustments			
Gms X Chg Hscps Uplift 19-20	1,028		1,028
Period 8 Adjustments			
Procurement Savings		(57)	(57)
Recurring SLT Tfer from Fin Planning (Reversal of prev year transfer from Acute)	(13)		(13)
Non Rec Mental Health Framework Camhs (Children's Specialist Services)	174		174
Non Recurring Smoking Prev (Planning & Health Improvement)	71		71
Non Recurring Pcip Premises (PCIP within Admin Mgmt)	55		55
Non Recurring Sesp Phys Act Tfr (Planning & Health Improvement)	(25)		(25)
Non Recurring Paid as if at work funding (Adult Community)	8		8

2019/20 Budget Reconciliation	Health Care £000	Social Care £000	Total £000
Non Recurring Breastfeeding funding (Children's Community Services)	20		20
Non Recurring Nondisc Chg To Hscp - Ncl Gps (FHS Other)	(5)		(5)
Period 9 Adjustments			
School Counselling budget transfer to Education		(216)	(216)
Reversal of M08 entry posted in error - Non Rec Sesp Phys Act Tfr (PHI)	25		25
Non Recurring NCL To Hscp - Ncl Gps (FHS Other)	243		243
Period 10 Adjustments			
Rape Crisis Funding from Corporate		35	35
West Dun Share Of Pfg Media	80		80
Accr Ncl To Hscp -gps M10	10		10
Period 11 Adjustments			
FHS Other - Phasing Adjustment	(47)		(47)
SG Non Recurring 2nd Tranche Action 15 MH	99		99
Period 12/13 Adjustments			
Statutory Adult Support Redetermination Funding		8	8
Asset Management Savings		(1)	(1)
Effective Prevention Bundle funding Reduction - Recurring	(7)		(7)
FHS GMS Central Adjustments - Recurring	370		370
FHS GMS Central Adjustment - Non Recurring	(6)		(6)
Child Serv Henry Programme - Non Recurring	15		15
Wd Live Active Tfer – Non Recurring	(25)		(25)
Pcip Premises Wdhscp – Non Recurring	36		36
FHS Other – Phasing Adjustment	65		65
Wd Hscp Covid19 Anticipated Funding	231		231
Revised Budget 2019/20	95,468	67,583	163,051

Consolidated Expenditure by Service Area	Final Budget	Actual Outturn	Actual Variance	Final Adjustment to Reserves	Adjusted Variance	Variance %
	£000's	£000's	£000's	£000's	£000's	
Older People Residential, Health and Community Care	30,330	28,563	1,767	(24)	1,791	5.9%
Care at Home	12,206	12,274	(68)	0	(68)	-0.6%
Physical Disability	2,649	2,448	201	0	201	7.6%
Childrens Residential Care and Community Services (incl. Specialist)	22,090	24,856	(2,766)	(268)	(2,498)	-11.3%
Strategy, Planning and Health Improvement	1,888	1,301	587	0	587	31.1%
Mental Health Services - Adult and Elderly, Community and Inpatients	8,945	8,115	830	(47)	877	9.8%
Addictions	2,819	2,859	(40)	(283)	243	8.6%
Learning Disabilities - Residential and Community Services	12,994	12,732	262	(95)	357	2.7%
Family Health Services (FHS)	27,427	27,427	0	0	0	0.0%
GP Prescribing	19,305	19,432	(127)	0	(127)	-0.7%
Hosted Services	7,292	7,194	98	86	12	0.2%
Criminal Justice (Including Transitions)	0	(24)	24	24	0	0.0%
Resource Transfer	15,763	15,763	0	0	0	0.0%
HSCP Corporate and Other Services	(657)	(822)	165	(746)	911	-138.7%
Net Expenditure	163,051	162,118	933	(1,353)	2,286	1.4%

Consolidated Expenditure by Subjective Analysis	Final Budget	Actual Outturn	Actual Variance	Final Adjustment to Reserves	Adjusted Variance	Variance %
	£000's	£000's	£000's	£000's	£000's	
Employee	70,637	70,514	123	(935)	1,058	-1.3%
Property	985	1,062	(77)	(1)	(76)	-0.1%
Transport and Plant	1,315	1,472	(157)	0	(157)	0.0%
Supplies, Services and Admin	5,546	4,986	560	(236)	796	-4.3%
Payments to Other Bodies	65,788	67,415	(1,627)	(192)	(1,435)	-0.3%
Family Health Services	27,427	27,427	0	0	0	0.0%
GP Prescribing	19,305	19,432	(127)	0	(127)	0.0%
Other	3,685	3,139	546	15	531	0.4%
Gross Expenditure	194,688	195,447	(759)	(1,349)	589	-0.7%
Income	(31,637)	(33,329)	1,692	(4)	1,696	0.0%
Net Expenditure	163,051	162,118	933	(1,353)	2,286	-0.8%

Health Care Net Expenditure	Final Budget	Actual Outturn	Actual Variance	Final Adjustment to Reserves	Adjusted Variance	% Variance
	£000's	£000's	£000's	£000's	£000's	
Planning & Health Improvements	795	591	204	0	204	25.7%
Childrens Services - Community	3,015	3,123	(108)	3	(111)	-3.7%
Childrens Services - Specialist	1,378	1,351	27	0	27	2.0%
Adult Community Services	9,966	9,509	457	(12)	469	4.7%
Community Learning Disabilities	607	583	24	0	24	4.0%
Addictions	1,816	1,933	(117)	(283)	166	9.1%
Mental Health - Adult Inpatients	0	0	0	0	0	0.0%
Mental Health - Adult Community	3,721	3,373	348	(47)	395	10.6%
Mental Health - Elderly Inpatients	2,562	2,331	231	0	231	9.0%
Family Health Services (FHS)	27,427	27,427	0	0	0	0.0%
GP Prescribing	19,305	19,432	(127)	0	(127)	-0.7%
Other Services	1,821	2,384	(563)	(682)	119	6.5%
Resource Transfer	15,763	15,763	0	0	0	0.0%
Hosted Services	7,292	7,194	98	86	12	0.2%
Net Expenditure	95,468	94,994	474	(935)	1,409	1.5%

Social Care Net Expenditure	Final Budget	Actual Outturn	Actual Variance	Final Adjustment to Reserves	Adjusted Variance	% Variance
	£000's	£000's	£000's	£000's	£000's	
Strategy Planning and Health Improvement	1,093	710	383	0	383	0.00%
Residential Accommodation for Young People	3,683	3,762	(79)	0	(79)	0.00%
Children's Community Placements	4,999	5,861	(862)	0	(862)	0.00%
Children's Residential Schools	1,493	3,179	(1,686)	0	(1,686)	0.00%
Childcare Operations	3,969	4,335	(366)	(252)	(114)	-6.35%
Other Services - Young People	3,554	3,249	305	(19)	324	-0.53%
Residential Accommodation for Older People	6,473	6,156	317	0	317	0.00%
External Residential Accommodation for Elderly	9,037	8,067	970	0	970	0.00%
Sheltered Housing	1,306	1,241	65	0	65	0.00%
Day Centres Older People	1,093	1,174	(81)	0	(81)	0.00%
Meals on Wheels	23	22	1	0	1	0.00%
Community Alarms	(86)	(65)	(21)	(12)	(9)	13.95%
Community Health Operations	2,517	2,457	60	0	60	0.00%
Residential - Learning Disability	10,374	10,143	231	(95)	326	-0.92%
Physical Disability	2,649	2,448	201	0	201	0.00%
Day Centres - Learning Disability	2,014	2,005	9	0	9	0.00%
Criminal Justice (Including Transitions)	0	(24)	24	24	0	0.00%
Mental Health	2,662	2,410	252	0	252	0.00%
Care at Home	12,206	12,274	(68)	0	(68)	0.00%
Addictions Services	1,003	926	77	0	77	0.00%
Frailty	219	113	106	0	106	0.00%
Integrated Change Fund	550	548	2	0	2	0.00%
HSCP - Corporate	(3,248)	(3,867)	619	(64)	683	0.00%
Net Expenditure	67,583	67,124	459	(418)	877	-0.62%