

# Report

## Financial Position for 2016/17

### Edinburgh Integration Joint Board

16 June 2017



#### Executive Summary

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1. The purpose of this report is to provide the Integration Joint Board (IJB) with an overview of the financial position for 2016/17.

#### Recommendations

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2. Members are asked to note that, subject to external audit review, the Integration Joint Board has achieved a breakeven position for 2016/17.

#### Background

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3. Previous finance updates have advised the board that a break even position would be delivered through a combination of:
  - social care fund monies identified by the IJB;
  - provisions made by the City of Edinburgh Council (CEC); and
  - the underwriting by NHS Lothian (NHSL) of the projected overspend in the health element of the IJB's budgets.

#### Main report

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4. At the end of the financial year the IJB overspent against the budgets delegated by CEC and NHSL by £3.6m. This is after the agreed non recurring contribution of £6.9m from the social care fund was applied. Further one off contributions from NHSL and CEC (£2.5m and £1.1m respectively) were agreed, allowing the IJB to meet its financial targets for 16/17.

5. This position is summarised in the table below with further detail included in appendices 1 (NHSL) and 2 (CEC).

	Budget	Actual	Variance
	£k	£k	£k
NHS services			
Core services	250,497	252,816	(2,319)
Non cash limited	49,460	49,460	0
Hosted services	83,042	82,840	202
Set aside services	100,834	101,177	(343)
<b>Sub total NHS services</b>	<b>483,832</b>	<b>486,293</b>	<b>(2,461)</b>
<b>CEC services</b>	<b>188,456</b>	<b>189,596</b>	<b>(1,140)</b>
<b>Gross position</b>	<b>672,288</b>	<b>675,889</b>	<b>(3,601)</b>
<b>Non recurring contributions</b>			
City of Edinburgh Council			1,140
NHS Lothian			2,461
<b>Net position</b>			<b>0</b>

*Table: summary IJB financial position for 2016/17*

6. In accordance with the position agreed by the IJB in November 2016, the unspent portion of the social care fund will be carried forward. Valued at £3.7m, these monies will be used to support investments aligned to the strategic plan in 2017/18.
7. The key financial issues underpinning the position to the end of March are consistent with those reported throughout the financial year. Those being:
- **prescribing** - an ongoing pressure across all four IJBs in Lothian, driven by the level of growth in both volumes and price beyond those budgeted at the beginning of the year. The overspend of £2.2m for the year is in line with the quarter 1 forecast. For 17/18 NHSL has targeted additional investment through the financial plan to reset the prescribing baseline to reflect the outturn for 16/17. Any further growth in either prices or volumes in 17/18 will therefore result in an overspend. To mitigate this, NHSL has established a £2m fund to support efficient prescribing, the IJB's share of which is c£1.1m;
  - **nursing** - increased spend as a result of high levels of patient acuity and staff sickness in older people's services have resulted in. This is partly offset by vacancies in district nursing although this benefit will reverse over the course of 17/18. The Interim Chief Nurse will review the ongoing action plan; and
  - delivery of **savings and recovery plans** – although under written in 16/17, efficiencies in council delivered services totalling £6.9m have been carried forward.

8. Whilst a balanced financial plan for 17/18 was presented to, and agreed by, the IJB on 24 March 2017 the challenge of delivering against this should not be underestimated. Delegated resources have been directed back to the two partner bodies and a clear focus will be required to:
- manage services within available budget;
  - identify and deliver savings and recovery plans; and
  - clearly scope out any investment proposals for agreement by the Strategic Planning Group.

### **Key risks**

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9. The key financial risks facing the IJB in 2017/18 and beyond were set out in the financial plan paper presented to the board on 24 March 2017.

### **Financial implications**

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10. Outlined elsewhere in this report.

### **Involving people**

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11. The successful implementation of these recommendations will require the support and co-operation of both CEC and NHSL personnel.

### **Impact on plans of other parties**

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12. As above.

### **Background reading/references**

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13. Financial Plan Update and Financial Assurance report – EIJB 24 March 2017

[file:///H:/Item 5.7 Financial Plan Update and Financial Assurance%20\(2\).pdf](file:///H:/Item 5.7 Financial Plan Update and Financial Assurance%20(2).pdf)

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## **Report author**

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## **Links to priorities in strategic plan**

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**Managing our  
resources  
effectively**

## NHS Lothian Element of IJB Financial Position 2016/17

	Budget £k	Actual £k	Variance £k
<b>Core services</b>			
Community AHPs	5,961	5,992	(31)
Community Hospitals	10,064	10,959	(895)
District Nursing	10,611	10,349	262
GMS	72,916	72,699	217
Mental Health	9,614	9,408	206
Prescribing	77,974	80,167	(2,193)
Resource Transfer	51,078	51,072	6
Other	12,279	12,170	109
<b>Sub total core</b>	<b>250,497</b>	<b>252,816</b>	<b>(2,319)</b>
<b>Non cash limited</b>			
Dental	26,446	26,446	0
Ophthalmology	9,067	9,067	0
Pharmacy	13,947	13,947	0
<b>Sub total non cash limited</b>	<b>49,460</b>	<b>49,460</b>	<b>0</b>
<b>Hosted services</b>			
AHPs	6,830	6,464	366
Complex care	1,780	2,301	(521)
GMS	5,781	5,796	(15)
Learning disabilities	8,875	8,878	(3)
Lothian unscheduled care service	5,986	5,986	0
Mental health	25,484	24,740	744
Oral health services	9,355	9,200	155
Rehabilitation medicine	4,004	3,745	259
Sexual health	3,072	3,010	62
Substance misuse	4,646	5,271	(625)
Other	7,228	7,449	(221)
<b>Sub total hosted</b>	<b>83,042</b>	<b>82,840</b>	<b>202</b>
<b>Set aside services</b>			
A & E (outpatients)	6,533	6,419	114
Cardiology	17,076	16,960	116
Gastroenterology	5,762	5,529	233
General Medicine	32,178	32,764	(586)
Geriatric Medicine	18,882	18,677	205
Infectious Disease	8,296	8,186	110
Rehabilitation Medicine	2,017	2,152	(135)
Therapies	6,063	6,177	(114)
Other	4,027	4,313	(286)
<b>Sub total set aside</b>	<b>100,834</b>	<b>101,177</b>	<b>(343)</b>
<b>Grand total</b>	<b>483,832</b>	<b>486,293</b>	<b>(2,461)</b>
<b>Additional contribution from NHSL</b>			<b>2,461</b>
<b>Net position</b>			<b>0</b>

CITY OF EDINBURGH COUNCIL ELEMENT OF IJB  
FINANCIAL POSITION 2016/17

	Position to end March 2017		
	Budget £k	Actual £k	Variance £k
External purchasing	127,855	126,604	1,251
Care at home	14,336	14,422	(86)
Community equipment	1,518	1,542	(24)
Day services	14,748	14,829	(81)
Health improvement/health promotion	1,631	1,598	33
Information and advice	3,623	3,782	(159)
Intermediate care	1,611	1,619	(8)
Local area co-ordination	1,480	1,329	151
Reablement	7,810	8,669	(859)
Residential care	22,104	22,594	(490)
Social work assessment and care management	11,509	11,994	(485)
Resource allocation	(21,290)	(21,431)	141
Telecare	700	717	(17)
Other	821	1,328	(507)
<b>Net expenditure</b>	<b>188,456</b>	<b>189,596</b>	<b>(1,140)</b>
<b>Additional contribution from CEC</b>			<b>1,140</b>
<b>Net postion</b>			<b>0</b>