

REPORT

Financial update

Edinburgh Integration Joint Board

17 June 2024

Executive Summary

This report: confirms the outturn position for 2023/24; provides an update on the medium-term financial strategy; and gives an initial appraisal of the financial position for 2024/25.

A break-even position is reported for 2023/24, recognising this is subject to audit confirmation. Given the financial challenges faced by the board throughout the year this is a positive outcome and relies on one-off additional budget delegated by both partners (£16.7m from the Council of which £2.6m is repayable as brokerage and £4.5m from NHS Lothian).

Despite achievement of financial targets for 2023/24, the financial challenge facing the IJB for 2024/25 onwards remains. This is outlined in the draft medium term financial strategy (MTFS) which has been updated to reflect any currently known changes.

The final element of the picture is delivery of the agreed financial plan for 2024/25. An indicative review has not highlighted any areas of concern with the baseline financial position. This is based on only 1 month's data and should be treated with a degree of caution. Progress with the agreed savings and recovery programme has also been assessed. This shows delivery of c10% of the annual target but has also highlighted slippage on some key projects. To address this the Chief Officer has strengthened governance arrangements and is working with lead officers on mitigations.



Recommendations

It is recommended that the Integration Joint Board:

- a. notes that, subject to audit, a break-even position is reported for financial year 2023/24;
- b. notes the level and breakdown of reserves at 31st March 2024;
- c. notes the updated draft medium-term financial strategy;
- d. agrees that the medium-term financial strategy will be finalised in parallel with the updated strategic plan to ensure alignment; and
- e. considers the initial assessment of in year position, recognising that full data will only be available after the first quarter of the financial year.

Directions

Direction to City of Edinburgh Council, NHS Lothian or both organisations	No direction required	✓
	Issue a direction to City of Edinburgh Council	
	Issue a direction to NHS Lothian	
	Issue a direction to City of Edinburgh Council & NHS Lothian	

Main Report

Background

1. The financial position facing the Integration Joint Board (IJB) is well rehearsed, featuring a number of complex inter-related factors. This is not unique to Edinburgh with public services across Scotland and the UK facing similarly significant financial challenges. The draft medium term financial strategy (MTFS) agreed by the board in March 2024 recognised the influence this would have over the lifespan of the new strategic plan, impacting on delivery of our strategic priorities and testing our resilience. Both the draft



strategic plan and MTFs attempt to balance our priorities for service change and improvement with financial sustainability. These goals are not necessarily congruent and, at times, will require decisions which challenge us all.

2. This paper provides the board with an update on the financial positions for 2023/24 and 2024/25 and beyond. Accordingly, it sets out:
 - a. the outturn for 2023/24, including a summary of the reserves we will carry into 2024/25;
 - b. an update of the medium-term financial strategy (MTFS) to reflect known changes in assumption and to roll forward for a further financial year; and
 - c. an initial assessment of the in-year position for 2024/25.

2023/24 outturn

3. In line with the integration scheme, the IJB “directs” budgets back to our partner organisations who provide the associated services. Most of these services are delivered through the Edinburgh Health and Social Care Partnership (EHSCP), with the balance being managed by NHS Lothian under the strategic direction of the IJB. Management of financial performance is undertaken through the governance arrangements in the 2 partner organisations and the EHSCP.
4. Budget monitoring is undertaken by the finance teams within the Council and NHS Lothian who have responsibility for working with budget holders to prepare information on financial performance. Both partners provide the required information on operational budget performance from their respective financial systems, under the co-ordination of the IJB Chief Finance Officer, to provide reports to the board on delegated health and social care services.



5. The information in this report is based on the period 12 (March 2024) monitoring reports from the Council and NHS Lothian. It shows a balanced overall position, as summarised in table 1 below.

	Budget £k	Actual £k	Variance £k
<i>NHS services</i>			
Core	347,247	345,663	1,584
Hosted	113,413	111,691	1,722
Non cash limited	70,289	70,289	0
Set aside	121,940	129,723	(7,783)
Pay award funding	2,423	2,427	(4)
Additional support	4,480	0	4,480
Sub total NHS services	659,792	659,792	(0)
<i>Council services</i>			
Core	298,432	317,547	(19,116)
Additional support	19,116	0	19,116
Sub total Council services	317,547	317,547	(0)
Total	977,339	977,339	(0)

Table 1: financial position for delegated services

6. Previous forecasts predicted a budget shortfall on delegated services operated by both partners. For Council run services this related largely to increases in capacity and overspends on set aside services for health services. To address this, both partners have agreed additional contributions to ensure the IJB broke even in 2023/24.
7. On 2nd November 2023 the **Council** agreed to delegate additional budget of £14.5m to the IJB. This funded the budget deficit and remedial works in two Council owned care homes. Whilst this addressed the underlying budgetary shortfall it did not provide for the in-year increased costs associated with purchasing additional social care capacity. Further mitigation actions were agreed by the board to address this but these were not sufficient to bridge the gap entirely. By the end of the year the remaining shortfall was £4.6m. A further payment of this value has been discussed with Council officers and this will be presented to the Council meeting in June for agreement. Assuming supported, an element of this will be treated as 'brokerage' by the Council and IJB and will be repayable in instalments over the next 3 financial years.



8. **NHS Lothian** had made a previously reported commitment to work collaboratively with the 4 Lothian integration authorities to deliver a balanced outturn. In support of this they have confirmed an additional payment to the IJB of £4.5m. This is an improvement over the previously reported figure of £6.8m and effectively offsets the overspend on set aside services.
9. Further information on the position with health and Council run delegated services is given in appendices 1 and 2. A detailed report will be scrutinised by the Performance and Delivery Committee at its rearranged meeting in June and the narrative commentary is included in appendices 1 & 2 for completeness.

Savings and recovery programme

10. At its meeting in June 2024, the Performance and Delivery Committee will consider performance against the agreed 2023/24 savings and recovery programme (SRP). Progress across all 22 projects within the has been evaluated and a detailed summary can be found in appendix 3. By 31st March 2024, £21.8m (106%) was delivered against the target of £20.7m. All but one of the 22 projects has been closed. Closure of the one remaining scheme (prescribing) is anticipated in June when the final financial outcome is available (prescribing data nationally has a 3-month time lag). At the current time 99% of the prescribing target has been delivered to date, with a final 103% estimated.
11. A further 14 projects achieved or exceeded their target, with one project (purchasing) delivering £2.3m against an original target of £0.4m target, an over delivery of 575%.
12. Two projects achieved partial delivery of savings in-year (employability services and decommissioning interim beds). These delivered 69% (£0.17m out of £0.25m) and 91% (£2.9m out of £3.2m) respectively and both are expected to deliver full-year savings in 2024/25.

Integration Joint Board reserves

13. Integration authorities are classified as a local government body for accounts purposes by the Office of National Statistics (ONS) and are therefore able to hold reserves. In line with this, the IJB has a reserves policy which differentiates between 'general' and 'earmarked'



reserves. General reserves are essentially a contingency to cushion the impact of unexpected events and/or emergencies. The IJB has occasionally had a general reserve at the year end as a direct result of underspends in health services. With the agreement of the board, these were used to offset the financial deficit in the following financial year on a one-off basis. Establishing further general reserves would only be possible by increasing the level of savings required. Unlike general reserves, earmarked reserves are held for specific purposes. Those held by the IJB relate in the main to funding allocated from the Scottish Government to implement policy priorities.

14. In total, the board started the year with reserves totalling £24.0m. Appendix 3 sets out the extent to which these reserves have been applied during the year, leaving a closing balance of £8.0m. All remaining reserves are classified as earmarked and are expected to be expended during 2024/25.

Medium-term financial strategy

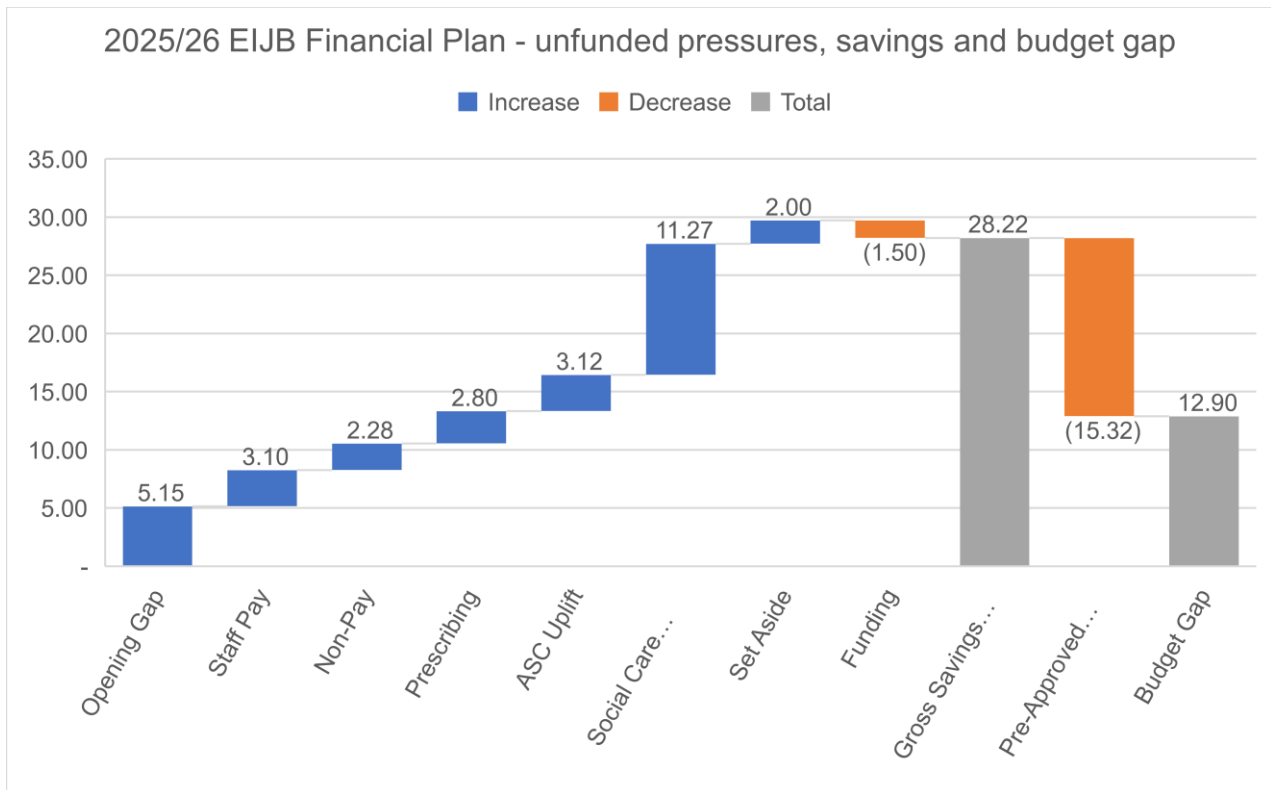
15. The financial challenges facing the IJB are both complex and well-rehearsed. These include ongoing improvements in performance; the increased demand for services as we emerge from the Covid pandemic and see the impact of wider demographic changes; the IJB's structural deficit; our refreshed strategic plan; and a range of unavoidable financial pressures. In this context financial balance is only possible through reductions in services, outcomes and performance.
16. The draft medium-term financial strategy (MTFS) was presented to, and agreed by, the board in March 2024. It aims to address the projected financial shortfall over a 3-year period, setting out a range of initiatives, aligned wherever possible to our strategic plan which, over time, will support financial balance. A draft of the updated strategic plan is a separate item on this agenda and the intention is to finalise both documents in parallel.
17. Like all financial plans, the draft MTFS sets out financial projections based on the best information available at the point in time it is published. At the time of publication in March 2024, the draft MTFS identified a savings requirement of £60m for 2024/25, rising to £109m by 2026/27. The Chief Finance Officer, working with the Council and NHS Lothian finance teams, regularly reviews the underpinning assumptions, updating the framework as



required. Accordingly, an interim update is provided as part of this paper with three key changes highlighted:

- a. *Additional budget delegated by the Council* – members will recall that £5m of the £60m was a result of the Scottish Government providing insufficient funding to fulfil their policy commitment of uplifting contracts in order to allow providers to pay front line social care workers a minimum of £12/hour. Nonetheless the board recognised the importance of appropriately rewarding this key staff group and agreed the Chief Officer’s recommendation that this be progressed. This was supported by a letter of comfort from by the Council’s Service Director Finance and Procurement which indicated that the Council was likely to be in a position to provide further funding, largely sourced from UK Government consequentials. At its meeting on 9th May 2024 this decision was formally approved by the Council and a further £5m of budget allocated to the Integration Joint Board, positively impacting the deficit.
- b. *Costs of reprovisioning residential care* - On 16th April 2024, BUPA formally served notice to the Edinburgh Health and Social Care Partnership (EHSCP) of their intention to close Braid Hills Nursing Home by 22nd July 2024. Officers immediately activated the EHSCP response, working with residents, their families and staff to secure suitable and appropriate alternative accommodation. Engagement sessions have taken place with residents and their families to talk through the process with each resident being allocated a worker to carry out a review and support their onward move. This process is being closely monitored and, at the time of writing, no material concerns about achieving the closure date are highlighted. Despite officers’ best efforts it is clear that there are no suitable alternative places currently available at the rates currently being paid for Braid Hills residents. Thus the reprovision will bring additional costs, these are currently estimated at £1.5m annually and are incorporated in the interim update of the MTFS.
- c. *Finalisation of NHS Lothian financial plan* – the draft MTFS presented to the board in March 2024 was based on an indicative NHS Lothian financial plan. This has since been finalised and the IJB's MTFS updated accordingly, with an overall improvement of £1.5m.

18. The combined impact of these changes is that the £60m gap for 2024/25 in the draft MTFS has now **reduced** to **£55m**. It should be noted though that this does not mean that the savings requirement for the year has reduced. Conversely this will increase by around £1.5m, being the additional costs incurred by reprovisioning the care provided in Braid Hills.
19. Assuming full in year delivery of the agreed savings and recovery programme for this financial year would give an opening deficit of **£28m** for **2025/26**. This is in effect the savings requirement for next financial year. Offsetting the full year impact of the agreed 2024/25 savings and recovery programme would give us outstanding savings target of £13m as illustrated in the chart below:



20. In the medium term, the gross saving requirement increases to £63m by 2027/28. The net equivalent figure (i.e. after agreed savings are delivered in full) is £58m, see table below:

	2025/26	2026/27	2027/28
	£m	£m	£m
Gross savings requirement			
Opening position	5.15	12.90	34.50
Change in costs	47.43	49.34	51.70
Change in funding	(24.36)	(23.24)	(23.43)
Gross savings requirement	28.22	39.00	62.76
Previously approved savings	(15.32)	(4.50)	(4.50)
Net savings requirement	12.90	34.50	58.26

21. The current focus of the Chief Officer and his management team is on delivery of the 2024/25 savings and recovery programme. Enhanced governance arrangements have been established to: ensure appropriate scrutiny; hold senior responsible officers (SROs) to account; and, where necessary, that sufficient mitigation is in place. In parallel work will shortly commence to identify a range of proposed savings schemes to bridge the remaining gap for future years as shown in the MTFs. This will build on the agreed 2024/25 programme which is structured according to the graphic below.

Sustainable commissioning and pathways	Internal service redesign	Managing demand and capacity	Financial sustainability
<ul style="list-style-type: none"> •older people •working age adults •mental health •learning disabilities •one Edinburgh 	<ul style="list-style-type: none"> •balancing the care home estate •operational structure review 	<ul style="list-style-type: none"> •managing new and existing demand •interface with hospital •transport 	<ul style="list-style-type: none"> •supplementary staffing •maximising income •improving grip and control •prescribing •improving processes

22. As is the case with the current programme, any additional savings requirement will necessarily impact negatively on service delivery, outcomes and performance.



Initial assessment of 2024/25 financial position

23. Given the size of the financial challenge facing us in this year and in the future it is clearly vital to have early sight of financial performance information. This applies equally to both the baseline position *and* delivery of the savings and recovery plan. The Council routinely start financial monitoring from the end of the first quarter so a full IJB position will only be available in mid-July. Recognising the potential fragility of the financial position, the finance team has undertaken a desktop exercise. This reviewed key areas of expenditure, focussing on staff and purchasing costs as these constitute the highest areas of cost and are considered to be most variable. The output of this work comes with a degree of caution as it is based on only 1 full month's data. It indicates that purchasing growth estimates appear to be in line with expectation and the same is true for employee costs. The one exception to this is the increased cost associated with the closure of Braid Hills Nursing Home. This brings an unexpected additional financial pressure of c£1.5m and is discussed at paragraph 17 above.
24. Similarly monitoring of progress with the in-year savings and recovery programme has started with the initial reports being presented to the savings governance board chaired by the Chief Officer. All projects have been assessed for progress against the project plan and for delivery of savings. This indicates that £4.8m of the £47.9m has been delivered (10%). However it should also be recognised that we have seen a degree of slippage against some individual schemes plans. An escalation process has been put in place by the Chief Officer with the objective of ensuring appropriate mitigation is in place to drive full delivery of the programme. The summary position is included in appendix 4.

Strategic priorities

Strategic Priorities		Key points within report that address strategic priorities
Prevention and Early Intervention		
Tackling Inequalities		
Person Centred Care		



Managing our resources effectively	✓	As set out in this paper, financial targets have been achieved for 2023/24
Making best use of capacity across the system		
Right care, right place, right time		

National health and wellbeing outcomes

Please note which national performance indicator your report aligns to		
1. People are able to look after and improve their own health and wellbeing and live in good health for longer.		
2. People, including those with disabilities or long-term conditions, or who are frail, are able to live, as far as reasonably practicable, independently and at home or in a homely setting in their community.		
3. People who use health and social care services have positive experiences of those services, and have their dignity respected.		
4. Health and social care services are centred on helping to maintain or improve the quality of life of people who use those services.		
5. Health and social care services contribute to reducing health inequalities.		
6. People who provide unpaid care are supported to look after their own health and wellbeing, including to reduce any negative impact of their caring role on their own health and well-being.		
7. People who use health and social care services are safe from harm.		
8. People who work in health and social care services feel engaged with the work they do and are supported to continuously improve the information, support, care, and treatment they provide.		
9. Resources are used effectively and efficiently in the provision of health and social care services.		✓



Implications for Edinburgh Integration Joint Board

Financial

25. Are outlined in the main body of this report.

Risk, legal, policy, compliance, governance, and community impact

26. Given the scale of savings there is an acknowledgment that this will impact on service delivery and add pressures on the ability of the Council and NHS Lothian to deliver all their statutory duties. Through the EHSCP, current governance arrangements have been reviewed and routine dialogue with Edinburgh Chief Social Work Officer (CSWO) on these matters will remain a key priority. The commencement of a social work governance board will provide additional rigour, augment IJB governance structures and will monitor these concerns and risks accordingly. The Chief Officer has recently commissioned work on the projected costs of providing statutory duties aligned to increased demand and population growth. The scale of the savings will also require more rigour around cost implications of policy, practice, legislative changes with greater focus on delivering core delegated services.

Equality and Poverty Impact

27. Due to the scale of savings there must be an acknowledgement that the IJB is required to focus on core services in order to achieve financial stability. The cost-of-living crisis, housing crisis, increasing demand and population growth are placing pressures on the whole system with a risk that these matters will exacerbate poverty, deprivation and health inequalities that often underpin addiction, mental health and the wider context of adult protection. Funding is not commensurate with projected demand and in this regard there remains a risk that the impact of these issues will continue to escalate.

Environment, climate, and sustainability impacts

28. There are no specific implications arising from the content of this report.

Quality of care

29. The Chief Officer and the wider EHSCP team will continue to work closely with the Care Inspectorate and Mental Welfare Commission in response to highly critical inspection

reports during 2023/2024. Any implication upon the quality of care in response to such significant savings targets will require close monitoring and overseen by respective governance arrangements.

Consultation

30. Work remains underway with the EHSCP workforce, key stakeholders, third and independent sector partners, Council and NHS Lothian senior management teams in response to the agreed savings plans programme. This work will extend further and ongoing communications with the citizens of Edinburgh will also remain a key priority ensuring greater awareness of the necessary changes that will be required to achieve longer term financial sustainability.

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Background reading/external references

None

Appendices

Appendix 1	Financial outturn for NHS delegated services for 2023/24
Appendix 2	Financial outturn for Council delegated services for 2023/24
Appendix 3	Savings and recovery programme 2023/24
Appendix 4	Reserves position at 31 st March 2024
Appendix 5	Status of the 2024/25 savings and recover programme

FINANCIAL OUTTURN FOR NHS Lothian Delegated Services for 2023/24

	Budget £k	Actual £k	Variance £k	%
Core services				
Community equipment	2,040	2,016	24	1%
Community hospitals	14,726	14,079	647	4%
District nursing	15,927	14,781	1,146	7%
Geriatric medicine	3,705	3,607	98	3%
GMS	100,403	101,696	(1,293)	-1%
Learning disabilities	1,455	1,270	186	13%
Mental health	10,812	10,023	788	7%
PC services	17,765	17,884	(118)	-1%
Pharmacy	6,220	5,899	320	5%
Prescribing	86,546	87,638	(1,092)	-1%
Resource transfer and reserves	62,584	62,527	57	0%
Substance misuse	4,969	4,507	462	9%
Therapy services	17,748	16,463	1,285	7%
Other	2,347	3,273	(927)	-39%
Sub total core	347,247	345,663	1,584	0%
Hosted services				
GMS	8,711	8,676	35	0%
Hospices & palliative care	2,971	2,981	(10)	0%
Learning disabilities	8,334	8,265	70	1%
LUCS	7,743	7,743	0	0%
Mental health	37,223	37,957	(734)	-2%
Oral health services	5,487	4,913	574	10%
Primary care services	3,293	3,621	(328)	-10%
Prescribing	1,239	1,209	30	2%
Psychology services	7,105	7,144	(39)	-1%
Public health	1,047	1,056	(9)	-1%
Rehabilitation medicine	5,765	5,009	755	13%
Sexual health	4,696	4,647	49	1%
Substance misuse	3,525	3,420	105	3%
Therapy services	10,410	10,064	346	3%
UNPAC	3,775	3,110	665	18%
Other	2,090	1,877	213	10%
Sub total hosted	113,413	111,691	1,722	2%
Non cash limited				
Pharmacy	23,764	23,764	0	0%
Ophthalmic	11,195	11,195	0	0%
Dental	35,330	35,330	0	0%
Sub total non cash limited	70,289	70,289	0	0%
Set aside services				
Acute management	4,188	4,129	59	1%
Cardiology	4,553	4,553	(0)	0%
Diabetes & endocrinology	3,267	3,651	(384)	-12%
ED & minor injuries	12,144	13,339	(1,195)	-10%
Gastroenterology	10,150	11,830	(1,679)	-17%
General medicine	32,516	34,415	(1,899)	-6%

FINANCIAL OUTTURN FOR NHS Lothian Delegated Services for 2023/24

	Budget £k	Actual £k	Variance £k	%
Geriatric medicine	21,606	22,588	(982)	-5%
Infectious disease	6,298	6,217	81	1%
Junior medical	3,502	3,870	(368)	-11%
Other	822	751	71	9%
Rehabilitation medicine	1,971	2,162	(191)	-10%
Respiratory medicine	9,533	9,925	(392)	-4%
Therapy services	11,390	12,293	(903)	-8%
Sub total set aside	121,940	129,723	(7,783)	-6%
Pay award funding	2,423	2,427	(4)	0%
Additional non recurring support	4,480	0	4,480	100%
Net position	659,792	659,792	(0)	0%

Commentary

- As referenced above, following an agreed additional budget contribution of £4.5m, delegated health services are reporting a break-even position for the year.
- Underlying drivers remain as previously reported to the board, namely:

Core health services - operationally managed by the EHSCP
- Reporting an underspend of £1.6m. Prescribing remains one of the major financial pressures in core services with a year-end overspend of £1.1m. This reflects increases in both prices and volumes compared to previous years. The data issues being experienced nationally and which have been reported throughout the year are now resolved.
- The other significant financial issue impacting core services is in general medical services (GMS) where locum cover for maternity leave and sickness are driving costs.
- Vacancies across a number of services are offsetting these pressures financially.

Share of pan Lothian hosted services - the element of services ran on a pan Lothian basis and delegated to the IJB. The majority of these services are operationally managed out with EHSCP.
- Overall hosted services are underspend by 2% or £1.7m. As with core services, vacancies are a key factor in the financial position especially across rehab medicine

FINANCIAL OUTTURN FOR NHS Lothian Delegated Services for 2023/24

where the establishment gaps for nursing and allied health professionals (AHPs) combined remains high. Oral health and therapy services are examples of other services impacted by vacancies.

7. The financial benefit caused by these vacant posts is offset by a range of pressures (mainly in mental health, primary care and psychology). Mental health services delivered in the Royal Edinburgh Hospital have experienced high levels of occupancy and increased acuity, leading to increased costs. To some extent this has been offset by an underspend on out of area placements (UNPACs) where increased numbers have been repatriated to Edinburgh. The primary care pressure mainly relates to community continence services where there has been a sharp increase in prices linked to a new national contract. Psychology has been impacted by the reduction of funding from Scottish Government (SG) for the mental health outcome framework which has left some specialist, supervision and support posts unfunded.

Share of acute set aside services - the IJB's share of acute hospital services which although delegated, are operationally managed by NHS Lothian.

8. A separate report on the financial position of set aside services was considered by the P&D committee at its last meeting.

**FINANCIAL OUTTURN FOR CITY OF EDINBURGH COUNCIL DELEGATED
SERVICES FOR 2023/24**

	Budget	Actual	Variance	
	£k	£k	£k	%
Employee costs	106,021	101,486	4,535	4%
Premises costs	1,400	1,735	(335)	-24%
Transport costs	2,889	4,447	(1,558)	-54%
Supplies, services and transfer payments	11,354	11,471	(117)	-1%
Capital financing costs	0	56	(56)	N/A
Purchasing - residential and FPNC	89,234	92,808	(3,574)	-4%
Purchasing - day care and care at home	129,173	134,816	(5,643)	-4%
Purchasing - direct payments and ISF	49,849	49,332	517	1%
Purchasing - grants and block contracts	32,886	32,459	428	1%
Purchasing - other	8,962	8,753	209	2%
Grants funding and cost recovery	(90,111)	(92,550)	2,439	-3%
Income	(24,110)	(27,265)	3,155	-13%
Sub total	317,547	317,547	(0)	0%
Additional support				
<i>Budget gap</i>	(14,136)	(14,136)	0	0%
<i>In year position</i>	(2,600)	(2,600)	0	0%
Net position	300,812	300,812	(0)	(0)

Commentary

- After taking account of the additional contribution agreed by the Council in November, and a further £2.6m delegated services are reporting a break-even position for 2023/24. Key factors influencing the financial position are set out below.

Employees

- Underspend of £4.5m due to previously reported recruitment challenges. These are mainly in disability services, but also assessment and care management and homecare and reablement teams.

Purchasing

The final reported position for purchased services is £8.1m over budgeted levels. As previously reported to committee, the financial plan assumed growth in purchasing of 3%. In practice we have seen the actual increase exceed this by some distance (7% on average). Care at home provision has seen the most

FINANCIAL OUTTURN FOR CITY OF EDINBURGH COUNCIL DELEGATED SERVICES FOR 2023/24

marked increase, with the number of hours increased by 14% since this time last year. There is a direct correlation between this increase in cost and ongoing performance improvements. Given the prevailing financial position, this level of improvement cannot be sustained.

Transport

3. Following previous reports of a lack of available data, the Council's finance team is now receiving monthly updates on the progress of the saving allowing them to assess the position more accurately. The corporate transport unit has also confirmed that the EHSCP will only be charged for the routes utilised and the outturn position reflects this. Transport savings have been achieved however these have been offset by a Council wide 20% increase in taxi charges.

Income

4. An over-recovery of residential client receipts is reported, due to achieving gross funding targets.

SAVINGS AND RECOVERY PROGRAMME 2023/24

Project no	Project Name	23/24 savings target (£m)	Year-end total (£m)	Progress RAG	Savings RAG	Progress update to end March 2024
1	Optimising SDS	£2.00	£2.50	10	10	125% of savings have been delivered and project closed.
2	Purchasing (gross funding)	£0.40	£2.30	10	10	575% of savings have been delivered and a further £1M of savings invoiced for recovery in 24/25. Project has been closed.
3	Employability services (The Works)	£0.25	£0.17	7	6	This project was on hold for much of the year while internal HR processes were completed. However, these have now been concluded and the service is due to close on 31st May 2024. Savings from vacancies have been achieved in year with a final total of £172k delivered.
4	Hosted and set aside	£2.80	£4.11	10	10	147% of savings have been delivered and project closed.
5	Community equipment	£0.28	£0	3	0	Work was delayed on this project due to a combination of rescoping and workforce issues. No savings were realised in-year, however, potential savings for 24/25 have been identified.
6	2C Practices	£0.05	£0.058	10	10	120% of savings were delivered and project closed.
7	Prescribing	£2.60	£2.53	9	8	This project has delivered 97% of savings to date across all workstreams. National reporting for Prescribing is currently 4 months in arrears, so the March saving has not yet been added to the total.

SAVINGS AND RECOVERY PROGRAMME 2023/24

Project no	Project Name	23/24 savings target (£m)	Year-end total (£m)	Progress RAG	Savings RAG	Progress update to end March 2024
8	Community Transport	£0.50	£0.5	10	10	This saving has been delivered in full and project closed.
9	Housing support	£0.45	£0.47	10	10	This saving has been delivered in full and project closed.
10	Temporary Review Team	£1.22	-£0.025	2	0	The Review and Assessment project suffered from a number of delays to implementation, staffing issues and system and process concerns. The year-end position was an overspend of £25,000, albeit with a full-year impact for 24/25 of approximately £2.5m. This project has now been closed.
11	Commissioning	£1.00	£0	5	0	Substantial analysis has been carried out in the commissioning sphere and a number of inter-linked programmes have been identified which are anticipated to realise savings as an important plank of the 24/25 programme. The timeframe for this work has been extended and savings were not realised in-year. This savings project has been closed.
12	Spot Purchase Grip and Control	£1.00	£1.80	10	10	This project has achieved 180% of savings and is now closed.
13	Decommissioning Interim Beds	£3.2	£2.9	7	8	All interim bed contracts ended on 30th September. 91% has been delivered to date, with a 24/25 impact of £1.6m anticipated. This project has now been closed.

SAVINGS AND RECOVERY PROGRAMME 2023/24

Project no	Project Name	23/24 savings target (£m)	Year-end total (£m)	Progress RAG	Savings RAG	Progress update to end March 2024
14	One Edinburgh	£0.5	£0.6	10	10	120% of savings were delivered and project closed.
15	Structural re-organisation	£0.13	£0	8	0	Significant progress has been made to review the structure of the EHSCP, however, due to rescoping of the project savings were not realised in-year. Project has now been closed.
16	Agency and overtime	£0.6	£0	5	0	Work is ongoing to manage agency use within high impact services, with tighter security on approving agency use and overtime. Although projected overspend was reduced, the saving was not achieved in-year and the project has been closed.
17	Contract uplifts	£0.20	£0.20	10	10	Saving delivered in full and project closed.
18	Pentland ward investment	£1.10	£1.1	10	10	Saving delivered in full and project closed.
29	Community investment fund	£1.00	£1.00	10	10	Savings delivered in full and project closed.
20	Blood borne virus investment	£0.20	£0.20	10	10	Savings delivered in full and project closed.
21	Continence	£0.05	£0.10	10	10	Savings delivered in full, and project closed.

SAVINGS AND RECOVERY PROGRAMME 2023/24

Project no	Project Name	23/24 savings target (£m)	Year-end total (£m)	Progress RAG	Savings RAG	Progress update to end March 2024
22	Overnight Support	£1.15	£1.34	10	10	Savings delivered in full and project closed.
TOTAL		£20.68	£21.86			

RESERVES POSITION AS AT 31ST MARCH 2024

	Opening £k	In year movement £k	Closing £k
<i>Earmarked reserves</i>			
Winter funding	1,798	(1,679)	119
Action 15 and mental health	2,872	(1,047)	1,825
Community investment	1,580	(873)	707
Community living change fund	925	(641)	285
Digital		477	477
Drug and alcohol	3,119	(1,319)	1,800
Home first	1,253	(1,253)	
Other	6,451	(3,974)	2,477
Primary care improvement fund	1,198	(867)	331
Unscheduled care	4,838	(4,838)	
Total earmarked reserves	24,033	(16,012)	8,020
Total general reserve	0	0	0
Grand total reserves	24,033	(16,012)	8,020

INITIAL ASSESSMENT OF SAVINGS AND RECOVERY PROGRAMME 2024/25

No	Title	Total £M	YTD £M	Progress RAG	Savings RAG
1	Older People's pathways - negotiation	£1.25	£0	6	0
2	Interface with hospital	£0.29	£0	7	0
3	Supplementary staffing	£1.50	£0.14	7	1
4	Maximising income	£0.75	£0	5	0
5	Hosted and set aside	£2.80	£0	7	0
6	Spot purchase grip and control	£2.00	£0.17	6	1
7	Prescribing	£6.00	£0.22	6	1
8	Primary care	£0.44	£0.089	7	2
9	One Edinburgh	£3.00	£0	6	0
10	SDS Optimisation	£0.75	£0	6	0
11	Gross Funding	£1.00	£0.1	5	1
12	Organisational Structure Review	£1.00	£0	8	0
13	Transport Grip and Control	£0.75	£0	2	0
14	Interim Beds	£1.60	£1.5	7	8
15	Managing New and Existing Demand	£13.40	£1.43	4	1
16	Older people's pathway – reviews	£1.00	£0	7	0
17	Working-age adults' pathways	£3.46	£0.435	6	1
18	Older people day support and respite	£0.23	£0	6	0
19	Be Able	£0.35	£0	7	0
20	Mental health pathways	£0.70	£0	5	0

INITIAL ASSESSMENT OF SAVINGS AND RECOVERY PROGRAMME 2024/25

No	Title	Total £M	YTD £M	Progress RAG	Savings RAG
21	Balancing the care home estate	£0.20	£0.2	7	8
22	Early intervention and prevention	£1.40	£0.053	6	1
23	EIJB investment in the Alcohol & Drug Partnership	£0.46	£0.46	9	8
24	Community equipment	£0.75	£0	5	0
25	Budget control measures	£2.77	£0	5	0
	TOTAL	£47.85	£4.81	10%	