



**REPORT TO:** East Lothian Integration Joint Board

**MEETING DATE:** 31 October 2019

**BY:** Chief Finance Officer

**SUBJECT:** Month 5 Financial Review 2019/20

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## **1 PURPOSE**

- 1.1 This report provides an update to the IJB on its year to date financial position in 2019/20 and the recent financial forecast projections which consider the projected year end out-turn undertaken during August 2019 by both the IJB partners East Lothian Council and NHS Lothian.

## **2 RECOMMENDATIONS**

- 2.1 The IJB is asked to:
- i. Note the current financial position
  - ii. Note the Month 5 financial reviews undertaken by partners

## **3 BACKGROUND**

- 3.1 At the IJB meeting in September 2019 the IJB were provided with the outputs from the recent Quarter 1 financial reviews for 2019/20 this was £459k of a projected overspend position.
- 3.2 These projections continue to be developed throughout the year and as at end of August 2019, the position for the IJB had slightly deteriorated to a forecasted year end position of £645k overspend for 2019/20. This projection being reported is based on the first 5 month of the year and therefore not a formal Quarter 2 review position. The Quarter 2 positions are currently being worked through by partners and will be updated once concluded.
- 3.3 East Lothian Council will be reporting the month 5 financial reviews to their meeting on the 29<sup>th</sup> October 2019 and NHS Lothian will report their Quarter 2 financial review to their Finance and Resources Committee during November 2019.

## Year to date financial position & Year End Forecast as at August 2019

- 3.4 The IJB financial position as at the end of August 2019 is £115k overspent.

### East Lothian IJB Financial Performance at August 2019 & Updated Forecast

	Year to Date Outturn at August 2019		Q1 Forecast Outturn	August Forecast Outturn
	£k		£k	£k
Social Care	38		-354	-540
Health	-153		-105	-105
	-115		-459	-645

- 3.5 The IJB accepted budget offers for 2019/20 from Partners at the May meeting of the IJB this was £53.48m from East Lothian Council and £104.114m from NHS Lothian. Since May there have been changes to the IJB budget position mainly through health funding where additional allocations have come in during the year from Scottish Government, for example our PCIF and Mental Health Action 15 funding. Further to this within social care a small budget amendment of £40k has happened, this has moved £40k out of the social care budget to East Lothian Councils Corporate Policy and Improvement Team by transferring this funding it reduces the need for unnecessary internal recharges within the Council departmental budgets. This means our current IJB budget is £163.627m and the above positions are based on this.
- 3.6 Within social care budgets the forecast overspend has increased by £186k to £540k. This increase is due to an increasing number of residential beds and an increasing weekly cost of residential placements within learning disabilities. These increases have been partially offset with a reduction in care at home hours.
- 3.7 As reported previously within the health budgets these are split into core, hosted and set aside. Core budgets are projecting a small overspend of £80k driven by financial pressures within health visiting due to pay regrading and Mental Health drugs costs increasing offset by favourable positions within hospital services expenditure as the timing and staffing requirements for the new hospital are finalised and a favourable prescribing position.
- 3.8 Hosted services are projecting a £209k underspend mainly from the out of area placements budget hosted within the REAS business unit of NHS Lothian. This budget can be unpredictable so we will continue to monitor this. The set aside budgets are projecting the most significant financial pressures; currently projections are that these budgets will be £455k overspent. Nursing and Medical Staffing budgets are projecting

an overspend due to high levels of sickness, vacancies and difficulties in recruitment. This requires locums/agency to cover and make safe staffing rotas compliant. Also, General Medicine financial pressures are driven by ongoing staffing issues and ongoing bed pressures across the hospital sites.

- 3.9 It worth noting that it's likely the Quarter 2 financial projections in our health delegated budgets will improve due to having more data available from the first 6 months of the year. This will be reported to the IJB once concluded. In light of the adverse movement in the social care position a number of meetings have been set up within the HSCP to analyse the assumptions used in forecast, the drivers of this position and what mitigating actions can be taken.

#### **4 ENGAGEMENT**

- 4.1 The IJB holds its meetings in public and makes its papers and report available on the internet.

#### **5 POLICY IMPLICATIONS**

- 5.1 There are no new policies arising from this paper.

#### **6 INTEGRATED IMPACT ASSESSMENT**

- 6.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

#### **7 RESOURCE IMPLICATIONS**

- 7.1 Financial – discussed above  
7.2 Personnel – none  
7.3 Other – none

#### **8 BACKGROUND PAPERS**

- 8.1 Financial Update – Quarter 1 Review – September 2019 IJB Meeting

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