

# Midlothian Integration Joint Board



**Thursday 15<sup>th</sup> December 2022, 14:00 – 16:00**

## **Finance Update – Quarter 2 2022/23**

**Item number: 5.7**

### **Executive summary**

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*Both the IJB's partners (Midlothian Council and NHS Lothian) have undertaken quarter two financial reviews. This process requires the available financial information to be analysed and subsequently used to project a forecast outturn position.*

**Board members are asked to:**

- 1. Note the quarter two financial review undertaken by partners.*

## Finance Update – Quarter 2 2022/23

### 1 Purpose

- 1.1 This report lays out the results of the partner's (Midlothian Council and NHS Lothian) quarter two financial reviews and considers how these impact on the projected financial position of the IJB for 2022/23.

### 2 Recommendations

- 2.1 As a result of this report Members are being asked to:
- Note the quarter two financial review undertaken by partners.

### 3 Background and main report

- 3.1 At the IJB meeting during September 2022, we reported on the quarter one financial review which provides a forecast financial outturn for 2022/23. The Midlothian Council and NHS Lothian quarter one financial reviews were based on information to the end of June 2022.
- 3.2 The quarter one financial review position for the IJB was a projected overspend of £0.9m this position has deteriorated and the quarter 2 (Q2) financial review position for the IJB is reporting a projected overspend of £1.6m and a breakdown is shown below

	Annual Budget as at end of September 2022  £k	Forecast Expenditure  £k	Q2 Forecast  Under/(Over) Spend £k
Core	66,715	66,648	67
Hosted	12,763	12,593	170
Set Aside	19,277	20,161	(884)
Health	98,755	99,403	(648)
Social Care	56,710	57,665	(955)
<b>Total</b>	<b>155,465</b>	<b>157,068</b>	<b>(1,603)</b>

(Fig 1 : IJB Quarter 2 review forecast)

- 3.3 The budget movements from the partners budgets offers at the start of the financial year to the budget position at Q2 are a combination of additional funding allocations from Scottish Government and some COVID funding being drawn down from the

reserve to support the remaining COVID costs in 2022/23. Further drawdowns of COVID funding are anticipated throughout this year.

- 3.4 The forecast position reflects the projections for both partners. NHS Lothian are due to present their Q2 financial projections to their Finance & Resources Committee on the 21<sup>st</sup> December 2022. Midlothian Council presented their Q2 financial projections to their Council meeting on the 15<sup>th</sup> November 2022.
- 3.5 The forecast highlights projected overspends within our set aside budgets. This continues to be Gastroenterology drugs, the drugs pressure across acute is significant and has been growing due mainly to new medicines. Within Medicine of the Elderly there are overspends in medical pays predominantly at the RIE. Similarly General Medicine are also facing increased costs in medical staffing.
- 3.6 The social care forecast is projecting a £0.9m overspend, specifically there are financial challenges within Newbyres Care Home where the high use of agency staff has increased expenditure significantly. Similar underlying financial pressures sit in our Home Care services with additional staff required to support increasing care packages. A change since quarter one review has also seen the resource panel budget now swing into a projected overspend position, this area can be volatile so a quarter three update will be required.
- 3.7 Given the financial overspend projected particularly within social care Officers within the HSCP are actively pulling together financial recovery plans to look to recover this position in year. We will assess any impact on this as part of the quarter three forecasting.
- 3.8 As reported to the IJB in September and October 2022 Scottish Government are looking to reclaim surplus IJB COVID reserves and we await further correspondence on the detail of this.
- 3.9 We have through the routine reporting to Scottish Government submitted our Q2 COVID cost projections for Midlothian HSCP this is summarised in the table below.

	2021/22	Q1 2022/23 Return via NHS Lothian	Q2 2022/23 Return via NHS Lothian
	£k	£k	£k
COVID Reserve as at March 2022		9,703	9,703
COVID cost projections	5,488	2,857	3,564
<b>Balance</b>		<b>6,846</b>	<b>6,139</b>

(Fig 2: COVID Cost Projections)

- 3.10 The above cost projections are for the 4 remaining areas that we still supporting with COVID funding from the IJB COVID reserve.
  - Health
    - costs relating to the additional ward open within Midlothian Community Hospital,
    - and additional costs in Primary Care (GMS and Prescribing).

- Social Care
  - costs relating to the ongoing sustainability payments to our external providers
  - and the loss of income from core services.

3.11 We will continue to update the IJB at future meetings on this reclaim of funding.

3.12 The outturn projections will continue to be monitored, and updates will be brought back to the IJB. The main outstanding risk not included in the above projections is the settlement of the pay awards. We await clarity to assess the impact of this with our Partners both in terms of cost projections and any additional funding.

## 4 Policy Implications

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4.1 There are no policy implications from this report.

## 5 Directions

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5.1 The utilising of our COVID funding is in line with our direction to Partners, Direction 25 Financial Instruction.

## 6 Equalities Implications

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6.1 There are no equalities implications from this report.

## 7 Resource Implications

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7.1 The resource implications are laid out above.

## 8 Risk

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8.1 The risk regarding the pay awards settlement is raised above in report

8.2 The “business as usual” risks raised by this report are already included within the IJB risk register.

## 9 Involving people

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9.1 The IJB papers are publicly available.

## 10 Background Papers

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10.1 None

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