



REPORT TO: East Lothian Integration Joint Board

MEETING DATE: 11 September 2019

BY: Chief Finance Officer

SUBJECT: Quarter 1 Financial Review 2019/20

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 Quarter 1 financial reviews which consider the projected year end out-turn, undertaken 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; and
 - ii. Note the Quarter 1 financial reviews undertaken by partners.

3 BACKGROUND

- 3.1 At the IJB meeting in March 2019 the IJB were provided with the likely financial outlook for 2019/20 this was circa £1.4m of a projected overspend position and this included the funding from NHS Lothian to provide uplift to the value of 2.6% and funding for the additional costs associated with the NHS Lothian investments in unscheduled care.
- 3.2 These projections continued to be refined and at the June IJB meeting the 5 year rolling financial plan was presented to the Board with the 2019/20 financial projections being circa £1.5m of projected overspend for the IJB.
- 3.3 These projections continue to be developed and through the recent Quarter 1 financial reviews undertaken by partners, East Lothian Council and NHS Lothian financial forecast have been undertaken as at end of June 2019.

Year to date financial position as at June 2019 & Quarter 1 Forecast

- 3.4 The IJB financial position as at the end of June 2019 is £212k overspent.

East Lothian IJB Financial Performance – June 2019 & Q1 Forecast

	Year to Date Outturn		Q1 Forecast Outturn
	£k		£k
Social Care	-56		-354
Health	-156		-105
	-212		-459

- 3.5 The Quarter 1 financial review position for the IJB projects a £459k overspend for 2019/20.
- 3.6 Within social care budgets the forecast overspend reflects pressures in transport costs for day services, an increase in the number of older people in external residential placements and an increase in the average cost of clients within Physical Disabilities external placements.
- 3.7 Within the health budgets these are split into core, hosted and set aside. The core budgets project a small underspend of £141k, this being driven via financial pressures within health visiting due to pay regrading and Mental Health drugs costs increasing. These pressures are offset by a projected underspend within the prescribing budgets and the community hospital budgets underspending mainly due to the timing of the new hospital opening.
- 3.8 The hosted budgets are projecting a £208k 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. A&E continues to have recruitment issues resulting in additional costs of locums/agency to cover and make safe staffing rotas, Junior Medical cost pressures are driven by additional staffing requested to cover rotas for sickness; maternity and vacancies causing an over-establishment against funded levels in particular within A&E areas and finally General Medicine financial pressures driven by ongoing staffing issues and ongoing bed pressures across the hospital sites.
- 3.9 At the start of the year and as part of the budget setting process, to achieve allocated savings target (£702k), the HSCP has developed a suite of recovery actions to meet this savings target. Due to the

projected overspend this work should be widen to include financial recovery actions to also bring the IJB back into balance for 2019/20. We will also continue to monitor the projected costs associated with the new monies allocated this financial year for Fanks law and Carers.

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 IJB's 5 rolling financial plan 2019/20 – 2023/24 – June 2019 IJB meeting.
8.2 Financial Update – March 2019 IJB meeting.

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