

# REPORT

Item No:

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<b>SUBJECT:</b>	Financial Monitoring Report 2020/2021
<b>TO:</b>	Performance, Finance and Audit Committee
<b>Lead Officer for Report:</b>	Chief Officer
<b>Author(s) of Report</b>	Chief Financial Officer
<b>DATE:</b>	22 September 2020

## 1. PURPOSE OF REPORT

1.1 This paper is coming to the Performance, Finance and Audit (PFA) Committee:

For approval	<input type="checkbox"/>	For endorsement	<input type="checkbox"/>	For noting	<input checked="" type="checkbox"/>
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1.2 This report provides a summary of the financial position of the North Lanarkshire Health and Social Care Partnership (HSCP) for the period from 1 April 2020 to 31 July 2020 (Health Care Services) and 21 August 2020 (Social Work and Housing Services).

## 2. ROUTE TO THE PERFORMANCE, FINANCE AND AUDIT COMMITTEE

2.1 This paper has been:

Prepared By; Chief Financial Officer	Reviewed By; Chief Officer
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## 3. RECOMMENDATIONS

3.1 The PFA Committee is asked to agree the following recommendations:

- (1) Note the contents of the report;
- (2) Note that, in order to address the additional costs as a result of the Covid-19 pandemic, additional Scottish Government funding has been received to date and a review is currently ongoing to confirm further funding;
- (3) Note the management action being taken to mitigate the financial impact of the Covid-19 pandemic where possible; and
- (4) Note that a review of the IJB Financial Plan 2020/2021 is progressing in consultation with both partners.

## 4. VARIATIONS TO DIRECTIONS

Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
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## 5. BACKGROUND/SUMMARY OF KEY ISSUES

5.1 This report is based on the financial monitoring reports received from the Director of Finance of NHS Lanarkshire (NHSL) and the Head of Financial Solutions of North Lanarkshire Council (NLC). The position detailed in these reports is therefore based on the information contained in each partner's respective financial systems and includes accruals and adjustments in-line with their financial policies. This is the first financial monitoring report presented in respect of the financial year 2020/2021.

## 6. CONCLUSIONS

6.1 The financial position as at July / August 2020 is a net overspend of £4.192m and is summarised as follows:

- an overspend of £1.471m on health care services,
- an overspend of £2.721m on social care and housing services

6.2 The overspend to date includes additional costs totalling £4.993m as a result of the Covid-19 pandemic as follows:

- £2.395m on health care services,
- £2.598m on social care and housing services

6.3 Excluding the Covid-19 costs, the financial position is a net underspend of £0.801m as follows:

- an underspend of £0.924m on health care services,
- an overspend of £0.123m on social care and housing services

6.4 The total cost of responding to the Covid-19 pandemic across health and social care services in 2020/2021 is uncertain. The additional health and social care costs which have been incurred in response to the Covid-19 pandemic are being reported to the Scottish Government through the Lanarkshire Mobilisation Plan.

- Some additional costs incurred in response to the Covid-19 pandemic are being contained within offsetting underspends across health and social care services which were stood down or are not operating at full capacity.
- Additional Covid-19 costs totalling £4.786m (NHSL – Nil; NLC - £4.786m) are being addressed by additional Scottish Government funding.
- It is expected that further funding to address Covid-19 pandemic costs incurred across health care services will be confirmed on conclusion of the quarter 1 review currently being undertaken by the Scottish Government

6.5 The financial implications of the Covid-19 pandemic are being closely monitored by the IJB and both partners in consultation with the Scottish Government. The total amount of additional funding from the Scottish Government has not been confirmed. If expenditure continues at the current levels and the additional costs as a result of the Covid-19 pandemic are not fully funded, this will increase the pressure across the HSCP budgets.

6.6 The budget variance is analysed by care services at appendix 1 and the main factors contributing to the financial position are summarised at section 7.

6.7 In response to the External Auditor's recommendation to reconcile the financial monitoring reports to the movement on the general fund, the movement on the provision of services and total comprehensive (income) and expenditure at July / August 2020 is as follows:

<b>Movements in Reserves during 2020/2021</b>	<b>Actual £m</b>	<b>Total Reserves General Fund Balance £m</b>
<b>Opening balance at 1 April 2020</b>		<b>16.414</b>
Use of IJB Ring-Fenced and Earmarked Reserves	(5.446)	
Use of IJB Contingency Reserve	0.000	
NHSL Underspend	0.000	
NLC Underspend	0.000	
Increase or (decrease) in 2020/2021 on Total Comprehensive Income and Expenditure – Actual Outturn.		
<b>Closing balance at July/August 2020</b>		<b>10.968</b>

## 7. BUDGET ADJUSTMENTS

7.1 A reconciliation of the budget adjustments between 31 March 2020 and July / August 2020 is attached at appendix 5.

## 8. REASONS FOR MAJOR VARIANCES – HEALTH CARE SERVICES

### 8.1 Locality and Other Services

8.1.1 There is a net underspend of £0.013m.

8.1.2 The net underspend on employee costs totals £0.511m and is mainly due to vacancies across Nursing Services and Administration and Clerical staff within the localities totalling 36.64 WTE. There are incremental pay increases and unfunded enhancements across many services however these cost pressures are being offset in-year by the vacancies.

8.1.3 In respect of non-pay costs, there is a net overspend totalling £0.498m. The overspend is due to equipment expenditure, specialist health care services and payments in respect of Strathcarron Hospice. The overspend is partly offset by underspends in respect of drugs and travel costs.

### 8.2 Addiction Services

8.2.1 There is an underspend of £0.054m.

8.2.2 The underspend is mainly due to vacancies across nursing posts (4.48 WTE - £0.054m).

8.2.3 A break-even position is reported in respect of non-pay costs.

8.2.4 The financial expenditure and funding relating to the Programme for Government Local Improvement Funding (LIF) has been updated as follows:

Description	£m	£m
2018/2019 ADP / LIF expenditure committed during 2018/2019	0.000	
2018/2019 ADP / LIF expenditure committed during 2019/2020	0.779	
2018/2019 ADP / LIF expenditure committed during 2020/2021	0.301	
2018/2019 ADP / LIF expenditure reserve balance at 31 March 2020	0.012	
<b>2018/2019 ADP / LIF Sub Total</b>		<b>1.092</b>
2019/2020 ADP / LIF expenditure committed during 2019/2020	0.128	
2019/2020 ADP / LIF expenditure committed during 2019/2020	0.672	
2019/2020 ADP / LIF funding retained by the Scottish Government pending future draw down	0.292	
<b>2019/2020 ADP / LIF Sub Total</b>		<b>1.092</b>
2020/2021 ADP / LIF funding retained by the Scottish Government pending future draw down		<b>1.092</b>
<b>Total</b>		<b>3.276</b>

8.2.5 The Scottish Government have assured officers that the overall commitment to fund specific policy initiatives will be maintained and not reduced. It is therefore expected that the 2019/2020 and 2020/2021 Scottish Government ADP/LIF funding totalling £1.384m will be available to the IJB when the expenditure is incurred.

## **8. REASONS FOR MAJOR VARIANCES – HEALTH CARE SERVICES (CONT.)**

### **8.3 Medical and Nursing Directorate**

8.3.1 There is a net underspend of £0.058m.

8.3.2 The nursing directorate is underspent by £0.056m. This is mainly due to an underspend across non-pay costs of £0.046m with the balance of the underspend of £0.010m being in respect of pay costs.

### **8.4 Prescribing**

8.4.1 A break-even position is reported in respect of prescribing activity to May 2020.

8.4.2 Average volume activity is 4.67% lower in May 2020 when compared to May 2019. A lower position was expected due to the higher activity levels in March 2020 due to the impact of Covid-19 pandemic. The cost per item remains higher than expected.

8.4.3 Additional prescribing expenditure totalling £1.195m was incurred in March 2020 due to the Covid-19 pandemic. Following discussion with the Director of Finance of NHSL and the Scottish Government, additional Scottish Government funding was not sought in 2019/2020 as an underspend of £2.1m was projected and the additional costs could be absorbed. The underspend at 31 March 2020 was therefore reduced to £0.905m. The Scottish Government had also advised that any funding provided in 2019/2020 would require to be repaid in 2020/2021.

8.4.4 There continue to be significant risks in respect of prescribing activity and costs as a result of both the Covid-19 pandemic and also the withdrawal from the European Union. Prescribing costs will continue to be monitored as information becomes available.

### **8.5 Out of Area Services**

8.5.1 There is a net overspend of £0.096m.

### **8.6 Area Wide Services**

8.6.1 There is a net underspend of £0.093m.

8.6.2 Area Wide Services include central nursing services, corporate services, health promotion services, pharmacy services and winter planning services. There is an underspend of £0.024m across pay costs and £0.069m across non-pay costs mainly within Health Promotion Services.

### **8.7 Hosted Services Led By North Lanarkshire**

8.7.1 The hosted services which are led by the North Lanarkshire HSCP are outlined at Appendix 2.

8.7.2 There is a net underspend of £0.802m which includes the following significant variances:

▪ Prisoner Healthcare Services	(£0.056m) overspend
▪ Dietetics Services	£0.050m underspend
▪ Speech and Language Therapy Services	£0.047m underspend
▪ Children's Services	£0.200m underspend
▪ Mental Health and Learning Disability Services	£0.578m underspend

8.7.3 There is an overspend on the Prisoner Healthcare Services of £0.056m which is mainly due to the cost of medical cover (£0.031m). There is also an overspend of £0.025m across non-pay costs which is mainly in respect of drug costs.

8.7.4 There is an underspend on the Dietetics Services of £0.050m which is mainly due to an underspend across travel and surgical sundries (£0.045m).

## 8. REASONS FOR MAJOR VARIANCES – HEALTH CARE SERVICES (CONT.)

### 8.7 Hosted Services Led By North Lanarkshire (Cont.)

8.7.5 The underspend within Speech and Language Therapy Services is £0.047m which is mainly due to an underspend in travel costs (£0.043m).

8.7.6 The net underspend within Children’s Services is £0.200m and is mainly due to 17.17 WTE vacancies in nursing, psychology and medical posts (£0.198m).

8.7.7 The net underspend on Mental Health and Learning Disability Services is £0.578m.

- There is a net underspend across pay costs of £0.505m. The overspends total £0.321m and are mainly within Medical Services due to locum costs (£0.169m) and Mental Health Strategy Action 15 posts which are awaiting funding (£0.117m). The use of bankaide continues to be high across the inpatient areas. There are also incremental increases within the community areas. The underspend totals £0.826m due to 39 WTE vacancies mainly in nursing.
- There is a net underspend across non-pay costs of £0.073m.

8.7.8 In line with the Integrated Resource Advisory Group Finance Guidance, the lead partner for a hosted service is responsible for managing any overspends incurred. With the exception of ring-fenced funding, the lead partner can also retain any underspends which may be used to offset the overspends. This arrangement has been in place since 1 April 2016. The IJB is asked to note that the hosted services principal is currently being reviewed. The outcome of the review will be reported to future meetings of both the North Lanarkshire IJB and the South Lanarkshire IJB for approval.

### 8.8 Hosted Services Led By South Lanarkshire

8.8.1 The hosted services which are led by the South Lanarkshire HSCP are outlined at Appendix 3. In-line with the hosted services agreement, a break-even position is reported.

8.8.2 Primary Care Services are a hosted service which is led by the South Lanarkshire IJB. The primary Care and Mental Health Transformation Fund and the Primary Care Improvement Fund are ring-fenced funding allocations. Any underspend is therefore retained for use across Lanarkshire and is not used to offset other overspends incurred by the South Lanarkshire IJB.

8.8.3 There is a net overspend of £0.084m across the Primary Care Improvement Fund (£0.002m Underspend) and the Primary Care Transformation Fund (£0.086m Overspend). This is further analysed by an overspend across pay costs (£0.205m) and underspend on non-pay costs (£0.121m). The total Primary Care Improvement Funding allocation for 2020/2021 is expected to be approximately £7.538m. The underspend in 2019/2020 in respect of the Primary Care Improvement Plan (PCIP) of £0.007m was transferred to a ring-fenced reserve held by South Lanarkshire IJB for use across Lanarkshire. The financial expenditure and funding relating to the PCIP is summarised as follows:

<b>Analysis of Funding Spent</b>	<b>£m</b>
2019/2020 PCIF - Baselined Pharmacy Funding	0.962
2019/2020 PCIF - Drawn down in 2019/2020	1.972
IJB PCIF Ring-fenced Reserves (2018/2019)	0.405
IJB PCMHTF Ring-fenced Reserves (Pre 2018/2019)	3.681
Other IJB Funding	0.105
<b>Sub Total</b>	<b>7.125</b>

## 8. REASONS FOR MAJOR VARIANCES – HEALTH CARE SERVICES (CONT.)

### 8.8 Hosted Services Led By South Lanarkshire (Cont.)

8.8.3 cont./

<b>Balance of Funding Retained by the Scottish Government</b>	<b>£m</b>
2018/2019 PCIF not drawn down	1.410
2019/2020 PCIF not drawn down	3.852
IJB Ring-fenced Reserve As At 31 March 2020	0.007
<b>Sub Total</b>	<b>5.269</b>

<b>Overall Total</b>	<b>12.394</b>
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- The Scottish Government have assured officers that the overall commitment to fund specific policy initiatives will be maintained and not reduced. It is therefore expected that the 2018/2019 and 2019/2020 Scottish Government PCIP funding allocations of £1.410m and £3.852m respectively will be available to the IJB when the expenditure is incurred.
- Notwithstanding the balance of funding of £5.262m retained by the Scottish Government and the 2020/2021 funding allocation of circa £6.512m, future funding gaps totalling £6.250m are projected.

### 8.9 Covid-19 Pandemic – Additional Health Care Costs

8.9.1 The additional health and social care costs which have been incurred in response to the Covid-19 pandemic are being reported to the Scottish Government through the Lanarkshire Mobilisation Plan.

8.9.2 The additional net health care costs for the period from April 2020 to July 2020 are confirmed as £2.395m. The main factors contributing to this cost relate to the Community Assessment Centre, the Mental Health Assessment Centres to divert mental health attendances from A&E, the provision of Personal Protection Equipment (PPE) and staff absence rates as a result of the requirement to shield or self-isolate. Funding to address Covid-19 pandemic costs incurred by Health will be confirmed on conclusion of the quarter 1 review currently being undertaken by the Scottish Government.

8.9.3 The additional net social care costs for the period April 2020 to August 2020 are detailed at paragraph 9.7 and 9.9.

### 8.10 Average Vacancy Factor

8.10.1 The vacancy position against the funded establishment at 31 July 2020 is summarised as follows:

Establishment	Actual	Variance
2,673 WTE	2,690 WTE	17 WTE over-established
100%	100.6%	(0.6%)

8.10.2 The staff resource is 17 WTE (0.6%) over-established which reflects the response to the Covid-19 pandemic. The position reported at 31 March 2020 was a vacancy factor of 5.2%. Additional hours are worked through bankaide, overtime and excess part time hours, the cost of which is included within the financial position reported.

## **8. REASONS FOR MAJOR VARIANCES – HEALTH CARE SERVICES (CONT.)**

### **8.11 Notional Set-Aside Allocation**

- 8.11.1 The set-aside budget is a notional budget which represents the consumption of hospital resources by North Lanarkshire residents. Based on the 2017/2018 activity data from the Information Services Division (ISD) at the 2019/2020 prices, the budget was restated to £61.229m. The notional set-aside budget has been updated by £1.837m to £63.066m for 2020/2021 to reflect the 3% allocation uplift.
- 8.11.2 The notional set-aside budget will be updated on receipt of the validated 2018/2019 activity levels from the Information Services Division (ISD).
- 8.11.3 The calculation of the notional set-aside allocation and the confirmation of actual activity levels is a complex accounting process. The NHSL Director of Finance, in consultation with the Chief Financial Officer, continues to develop the monitoring arrangements for the Hospital Acute Services.
- 8.11.4 In line with the accounting policy previously agreed, this notional set-aside budget will be included in the IJB Annual Accounts 2020/2021 as an estimate of expenditure. It is recognised that this will not necessarily reflect the actual usage of these hospital services by the IJB however it has been endorsed as an acceptable approach pending further updates from ISD.

## **9. REASONS FOR MAJOR VARIANCES – SOCIAL CARE SERVICES**

- 9.1 A net overspend of £2.721m is reported as at 21 August 2020. The main factors contributing to this year-to-date financial position are highlighted below.
- 9.2 An overspend across employee costs of £1.945m is reported at 21 August 2020. This relates to the cost of additional staff and overtime due to the Covid-19 pandemic. Demand for Home Support Services has also increased. The additional employee costs are partially offset by underspends as a result of vacancies.
- 9.3 An overspend of £0.783m is incurred in respect of supplies and services. The majority of the additional cost is due to the provision of PPE to protect staff against the Covid-19 virus. The IJB also previously agreed to make a contribution to the Financial Inclusion Team. The demand for equipment and adaptations has also increased.
- 9.4 There is an overspend of £1.802m across payments to other bodies. This relates mainly to the forecast sustainability payments to external providers to mitigate the operational and financial impact of the Covid-19 pandemic. The overspend on external provider payments has been offset by underspends across self-directed support, independent care homes and independent home care services as a result of demand being lower than anticipated between April 2020 and July 2020.
- 9.5 The implementation of the community alarm charge was rescheduled as a result of the pandemic. This has resulted in an under-recovery in income between April 2020 and July 2020 of up to £0.705m. Homecare and Integrated Day Care Services income recovered is also lower than anticipated as a result of the Covid-19 pandemic.
- 9.6 There continues to be an under-recovery of funding in respect of the Integrated Equipment and Adaptations Service. This is partially offset by a contribution from NHSL towards a self-directed support package.

## 9. REASONS FOR MAJOR VARIANCES – SOCIAL CARE SERVICES (CONT.)

9.7 Additional costs are being incurred across social care services in respect of the Covid-19 pandemic as follows:

- Supporting hospital discharge and creating capacity in hospitals.
- The provision of PPE.
- Staff absence rates as a result of the requirement to shield or self-isolate.
- Sustainability payments to external social care providers. The total value of these payments is not yet known as further claims are still anticipated from providers.

9.8 In addition to the above actions, Community Solutions are also responding effectively to the Covid-19 pandemic and supporting individuals and carers within each of the localities.

9.9 In respect of the period April 2020 to August 2020, the actual costs incurred in respect of the Covid-19 pandemic total £2.598m. Additional estimated costs up to £9.697m have been accrued in respect of the response to the Covid-19 pandemic for the same period. The balance of additional costs for the remainder of the year is lower at £2.968m. The full year effect of the social care response to the Covid-19 pandemic is therefore currently estimated to be up to £15.263m. The financial assumptions that the accrued and projected costs totalling £12.665m have been based on are being reviewed as part of the review of the IJB Financial Plan 2020/2021. Notwithstanding the review, there will continue to be a significant degree of uncertainty in respect of the financial implications of the Covid-19 pandemic. Additional Scottish Government funding totalling £4.786m has been allocated to meet the social care costs incurred with an additional £1.597m available at this stage subject to further discussion with the Scottish Government. The dialogue with the Scottish Government is ongoing and the financial position is being closely monitored.

## 10. 2019/2020 SAVINGS

### 10.1 Social Care Savings

10.1.1 On 24 March 2020, the IJB approved savings across social care services of £4.951m. Social Care Services uses a variety of information, records and processes to monitor achievement of its approved budget savings.

10.1.2 As at 21 August 2020, it is anticipated that £3.534m (71%) of the approved savings will be delivered by the financial year-end. The savings which are still in the process of being implemented of £1.417 (29%) are as follows:

<b>Approved Saving</b>	<b>Target Value £m</b>	<b>Value Deliverable £m</b>	<b>Savings Gap £m</b>
Review provision from the Independent Sector	0.170	0.126	0.044
Charge for Community Alarms	1.410	0.705	0.705
Re-profile of Cost Pressure Provision	1.882	1.214	0.668
Savings Achieved	1.489	1.489	0.000
<b>Totals</b>	<b>4.951</b>	<b>3.534</b>	<b>1.417</b>

10.1.3 The implementation of the charge for community alarms was delayed due to the impact of the Covid-19 pandemic. The charge is now in place. Social Care Services are closely monitoring changes in the uptake of this essential service and are pro-actively responding to enquiries.



## 10. 2019/2020 SAVINGS (CONT.)

### 10.2 Health Care Savings

10.2.1 On 24 March 2020, the IJB approved savings totalling £2.123m across health care services for the current financial year 2020/2021. Budgets totalling £1.970m have been removed and re-allocated to partly self-fund the pay and non-pay cost increases. This includes anticipated savings in respect of prescribing activity of £1.220m. Further detail on the impact of health savings will be included in future reports to the IJB.

## 11. RESERVES

11.1 The position in respect of the North Lanarkshire IJB reserves is attached at appendix 4 for information.

11.2 It is expected that at least £5.445m will be drawn down from reserves during 2020/2021 (NHSL - £0.696m; NLC - £4.749m). The reserves balances as at 31 March 2020 are therefore as follows:

	£m	%
Ring-fenced reserves	1.641	15%
Ear-marked reserves	1.474	13%
Risk-based reserves	4.169	38%
Contingency reserves	3.684	34%
Total	<b>10.968</b>	<b>100%</b>

11.3 As part of the review of the 2020/2021 IJB Financial Plan, the reserves balances are also being reviewed in consultation with both partners.

## 12. RISK

12.1 Risk management arrangements are in place for the IJB and each partner.

12.2 The main risk associated with the in-scope budget is that either or both partners may overspend.

12.2.1 Across social care services, the service continues to face demand pressures for service provision within home support, self-directed support, direct payments and independent care home placements. Notwithstanding the favourable outturn position at 31 March 2020, there continues to be a high-risk that the cost of social care services in 2020/2021 and beyond will exceed the budget available due to the demand for services. Cost pressures over the forthcoming winter period are also expected to be high particularly in respect of the requirement to continue to manage the Covid-19 pandemic.

12.2.2 The operational and financial impact of the response to the Covid-19 pandemic is being monitored by the IJB and both partners in line with their agreed emergency response arrangements and also the recovery, redesign and remobilisation work to reinstate services. The Lanarkshire Mobilisation Plan has been established and a whole system approach is being adopted by NHSL, NLC and South Lanarkshire Council. The financial costs incurred to date are being reported to the Scottish Government and additional funding has been received in 2020/2021 in particular for social care costs. Further Scottish Government funding is anticipated however there is a significant risk that the additional Scottish Government funding will not be sufficient to meet all of the additional Covid-19 pandemic costs incurred. In this event, the IJB and both partners would require to manage these additional costs in 2020/2021 and beyond. HSCP officers continue to be actively engaged with the Scottish Government in respect of the financial position.

## 12. RISK (CONT.)

- 12.2.3 Volatility and uncertainty around prescribing costs continue to represent a high-risk area within the NHSL element of the partnership's budget. There is a risk that prescribing could overspend in 2020/2021 as a result of both the Covid-19 pandemic and also the EU withdrawal. Prescribing costs, including the planned savings targets for 2020/2021 will continue to be closely monitored.
- 12.2.4 The outcome of the pending case law in respect of the sleepover rates is not yet known. The outcome may release the ear-marked reserve of £3.214m for the Self Directed Support Strategy. The Chief Financial Officer and the Head of Financial Solutions of NLC are continuing to monitor this position.
- 12.3 Risk management arrangements are in place for the IJB and each partner. The respective risks are managed by both NHSL and NLC through their detailed budget management processes. In addition to these mitigating actions, in consultation with both partners, a comprehensive review of the IJB Financial Plan for 2020/2021 will be undertaken, including a review of existing and proposed reserves. As part of this review, the partnership will consider trends in relation to anticipated demand across health and social care services, particularly in response to the Covid-19 pandemic. These trends will be monitored closely to refine cost projections for 2020/2021. It is also recognised that some of the social work cost pressures managed on a non-recurring basis during 2019/2020 will recur again in 2020/2021. These will also be considered further as part of the review of the IJB Financial Plan for 2020/2021.
- 12.4 The IJB is advised that in the absence of a sufficient contingency reserve and management action to fully offset cost pressures, reliance would require to be placed on the Integration Scheme and the IJB Financial Regulations which set out the option of an additional contribution from the partner(s). It is important to note however that both partners are also managing a range of significant cost pressures across non-IJB services.
- 12.5 The IJB is also asked to note that, notwithstanding the financial position, the HSCP will fully support the required response to the Covid-19 pandemic as necessary.

## 13. IMPLICATIONS

### 13.1 NATIONAL OUTCOMES

The effective management of financial resources contributes to the achievement of the national outcomes.

### 13.2 ASSOCIATED MEASURE(S)

Each partner is required to remain within their approved budgetary provision. The IJB Financial Plan 2020/2021 is currently being reviewed.

### 13.3 FINANCIAL

This paper has been reviewed by Finance:

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
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### 13.4 PEOPLE

None

**13. IMPLICATIONS (CONT.)**

13.5 EQUALITY AND DIVERSITY IMPACT ASSESSMENT / FAIRER SCOTLAND DUTY  
Assessment Completed:

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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13.6 CARBON MANAGEMENT IMPLICATIONS

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
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**14. BACKGROUND PAPERS**

None.

**15. APPENDICES**

North Lanarkshire Health and Social Care Partnership Budget 2020/2021	Appendix 1
Hosted Services Led By North Lanarkshire	Appendix 2
Hosted Services Led By South Lanarkshire	Appendix 3
North Lanarkshire IJB Reserves 2020/2021	Appendix 4
North Lanarkshire IJB Budget Reconciliation 2020/2021	Appendix 5



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CHIEF OFFICER (or Depute)

Members seeking further information about any aspect of this report, please contact Marie Moy on telephone number 01698 453709.

Description	Annual Budget 2020/2021 £m	Year To Date		Year To Date Variance		
		Budget £m £m	Actual £m £m	General £m £m	Ring-Fenced £m £m	Total £m £m
<b>Health Care Services</b>						
Locality and Other Services	44.340	14.781	14.768	0.013	0.000	0.013
Addiction Services	4.176	1.595	1.541	0.054	0.000	0.054
Medical and Nursing Directorate	3.497	1.138	1.080	0.058	0.000	0.058
Prescribing	68.646	22.882	22.882	0.000	0.000	0.000
Out of Area Services	4.286	1.429	1.525	(0.096)	0.000	(0.096)
Area Wide Services	8.474	2.460	2.367	0.093	0.000	0.093
Hosted Services	134.522	44.217	43.415	0.802	0.000	0.802
Family Health Services	104.329	33.339	33.339	0.000	0.000	0.000
Set-Aside Budget	63.066	21.022	21.022	0.000	0.000	0.000
Covid-19	0.000	0.000	2.395	(2.395)	0.000	(2.395)
IJB Operating Costs	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Expenditure - NHSL</b>	<b>435.336</b>	<b>142.863</b>	<b>144.334</b>	<b>(1.471)</b>	<b>0.000</b>	<b>(1.471)</b>
<b>Social Care Services</b>						
Social Care Services Gross Expenditure	202.818	64.200	68.684	(4.484)	0.000	(4.484)
Social Care Services Gross Income	(2.821)	3.504	3.965	(0.461)	0.000	(0.461)
Covid-19	0.000	0.000	(2.481)	2.481	0.000	2.481
IJB Reserve as per Financial Plan 2020/2021	(1.882)	(0.257)	0.000	(0.257)	0.000	(0.257)
Transfer From IJB Reserves - NLC (Subject To Approval)	0.000	0.000	0.000	0.000	0.000	0.000
<b>Social Care Services Net Expenditure</b>	<b>198.115</b>	<b>67.447</b>	<b>70.168</b>	<b>(2.721)</b>	<b>0.000</b>	<b>(2.721)</b>
<b>Housing Services</b>						
Housing Services Gross Expenditure	1.970	0.822	0.822	0.000	0.000	0.000
Housing Services Gross Income	(1.970)	(0.822)	(0.822)	0.000	0.000	0.000
<b>Housing Services Net Expenditure</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Social Care and Housing Services Net Expenditure</b>	<b>198.115</b>	<b>67.447</b>	<b>70.168</b>	<b>(2.721)</b>	<b>0.000</b>	<b>(2.721)</b>
IJB Operating Costs	0.000	0.000	0.000	0.000	0.000	0.000
<b>Social Care and Housing Services Sub-Total</b>	<b>198.115</b>	<b>67.447</b>	<b>70.168</b>	<b>(2.721)</b>	<b>0.000</b>	<b>(2.721)</b>
<b>Total Expenditure - NHSL and NLC</b>	<b>633.451</b>	<b>210.310</b>	<b>214.502</b>	<b>(4.192)</b>	<b>0.000</b>	<b>(4.192)</b>

North Lanarkshire Health and Social Care Partnership Budget 2020/2021 (Cont.)

Appendix 1 (Cont.)

<b>Funded By:</b>	
NHS Lanarkshire Funding	428.954
Social Care Funding	22.181
Resource Transfer	22.624
Commissioned Services	6.476
Covid-19 Funding	4.786
<b>Total Funding - NHSL</b>	<b>485.021</b>
NLC Funding	148.430
<b>Total Funding - NLC</b>	<b>148.430</b>
<b>Total Funding - NHSL and NLC</b>	<b>633.451</b>

Hosted Services

Appendix 2

Led by the North Partnership	TOTAL			
	Annual Budget 2020/2021	YTD Budget Jul-20	YTD Actual Jul-20	YTD Variance Jul-20
	£m	£m	£m	£m
Sexual Health Services	2.698	0.778	0.760	0.018
Continence Services	2.155	0.719	0.718	0.001
Immunisation Services	2.301	0.291	0.255	0.036
Speech and Language Therapy Services	5.810	1.936	1.889	0.047
Children and Adolescents Mental Health Services	6.968	2.342	2.383	(0.041)
Children's Services	11.213	3.738	3.538	0.200
Integrated Equipment and Adaptations Store	0.567	0.189	0.189	0.000
Dietetics Services	3.707	1.210	1.160	0.050
Podiatry Services	4.162	1.394	1.391	0.003
Prisoner Healthcare Services	1.639	0.547	0.603	(0.056)
Blood Borne Viruses Services	1.422	0.474	0.511	(0.037)
Hospital at Home Services	2.131	0.710	0.707	0.003
Mental Health and Learning Disability Services	64.700	21.719	21.141	0.578
<b>TOTAL</b>	<b>109.473</b>	<b>36.047</b>	<b>35.245</b>	<b>0.802</b>

North Lanarkshire IJB - 51% Share			
Annual Budget 2020/2021	YTD Budget Jul-20	YTD Actual Jul-20	YTD Variance Jul-20
£m	£m	£m	£m
1.376	0.397	0.379	0.018
1.099	0.367	0.366	0.001
1.174	0.148	0.112	0.036
2.963	0.987	0.940	0.047
3.554	1.194	1.235	(0.041)
5.719	1.906	1.706	0.200
0.289	0.096	0.096	0.000
1.891	0.617	0.567	0.050
2.123	0.711	0.708	0.003
0.836	0.279	0.335	(0.056)
0.725	0.242	0.279	(0.037)
1.087	0.362	0.359	0.003
32.997	11.077	10.499	0.578
<b>55.831</b>	<b>18.384</b>	<b>17.582</b>	<b>0.802</b>

South Lanarkshire IJB - 49% Share			
Annual Budget 2020/2021	YTD Budget Jul-20	YTD Actual Jul-20	YTD Variance Jul-20
£m	£m	£m	£m
1.322	0.381	0.381	0.000
1.056	0.352	0.352	0.000
1.127	0.143	0.143	0.000
2.847	0.949	0.949	0.000
3.414	1.148	1.148	0.000
5.494	1.832	1.832	0.000
0.278	0.093	0.093	0.000
1.816	0.593	0.593	0.000
2.039	0.683	0.683	0.000
0.803	0.268	0.268	0.000
0.697	0.232	0.232	0.000
1.044	0.348	0.348	0.000
31.703	10.642	10.642	0.000
<b>53.642</b>	<b>17.663</b>	<b>17.663</b>	<b>0.000</b>

Hosted Services

Appendix 3

Led by the South Partnership	TOTAL			
	Annual Budget	YTD Budget	YTD Actual	YTD Variance
	2020/2021	Jul-20	Jul-20	Jul-20
	£m	£m	£m	£m
Community Dental Services	6.363	2.140	2.080	0.060
Out of Hours Services	8.192	2.561	2.498	0.063
Palliative Care Services	6.776	2.260	2.288	(0.028)
Physiotherapy Services	9.624	3.208	3.250	(0.042)
Primary Care Services	0.717	0.244	0.219	0.025
Occupational Therapy Services	8.208	2.734	2.552	0.182
Diabetic Services	3.338	1.113	1.211	(0.098)
<b>Sub Total</b>	<b>43.218</b>	<b>14.260</b>	<b>14.098</b>	<b>0.162</b>
<b>Ring Fenced Funding</b>				
Primary Care Improvement Fund	5.897	1.760	1.758	0.002
Primary Care Transformational Fund	0.000	0.000	0.086	(0.086)
<b>Sub Total</b>	<b>5.897</b>	<b>1.760</b>	<b>1.844</b>	<b>(0.084)</b>
<b>TOTAL</b>	<b>49.115</b>	<b>16.020</b>	<b>15.942</b>	<b>0.078</b>

North Lanarkshire IJB - 51% Share			
Annual Budget	YTD Budget	YTD Actual	YTD Variance
2020/2021	Jul-20	Jul-20	Jul-20
£m	£m	£m	£m
3.245	1.091	1.091	0.000
4.178	1.306	1.306	0.000
3.456	1.153	1.153	0.000
4.908	1.636	1.636	0.000
0.366	0.124	0.124	0.000
4.186	1.394	1.394	0.000
1.702	0.568	0.568	0.000
<b>22.041</b>	<b>7.273</b>	<b>7.273</b>	<b>0.000</b>
3.007	0.898	0.898	0.000
0.000	0.000	0.000	0.000
<b>3.007</b>	<b>0.898</b>	<b>0.898</b>	<b>0.000</b>
<b>25.049</b>	<b>8.170</b>	<b>8.170</b>	<b>0.000</b>

South Lanarkshire IJB - 49% Share			
Annual Budget	YTD Budget	YTD Actual	YTD Variance
2020/2021	Jul-20	Jul-20	Jul-20
£m	£m	£m	£m
3.118	1.049	0.989	0.060
4.014	1.255	1.192	0.063
3.320	1.107	1.135	(0.028)
4.716	1.572	1.614	(0.042)
0.351	0.120	0.095	0.025
4.022	1.340	1.158	0.182
1.636	0.545	0.643	(0.098)
<b>21.177</b>	<b>6.987</b>	<b>6.825</b>	<b>0.162</b>
2.890	0.862	0.860	0.002
0.000	0.000	0.086	(0.086)
<b>2.890</b>	<b>0.862</b>	<b>0.946</b>	<b>(0.084)</b>
<b>24.066</b>	<b>7.850</b>	<b>7.772</b>	<b>0.078</b>

Useable Reserve	Revised Balance As At 1 April 2020
Ring-Fenced Reserves	£m
Addictions - ADP Funding 2018/2019	0.313
Mental Health and Learning Disability Services - Mental Health Improvement Fund	0.254
Alcohol and Drug Partnership Fund	0.045
Mental Health and Learning Disability Services - Distress Brief Intervention	0.647
Mental Health and Learning Disability Services - Health Improvement Service funding (Mental Health Strategy evaluation)	0.015
Mental Health and Learning Disability Services - Veteran's First Point	0.085
Mental Health and Learning Disability Services - Action 15	0.086
Mental Health and Learning Disability Services - Improving access - funding waiting list clinics	0.096
Community WIFI	0.560
QUEST - Patient Safety Nursing Post	0.051
Fetal Alcohol Spectrum Disorder	0.025
FME Regional Custody Suite	0.090
HPV for boys	0.016
Health & Homeless post	0.040
Infant Mental Health (NES Funding)	0.013
<b>Total Ring-Fenced Reserves</b>	<b>2.337</b>

Transfers Out	Transfers To Contingency	Transfers From Contingency	Transfers In	Balance As At July / August 2020
£m		£m	£m	£m
(0.301)				0.012
				0.254
				0.045
(0.127)				0.520
				0.015
(0.085)				(0.000)
(0.086)				0.000
(0.096)				0.000
				0.560
				0.051
				0.025
				0.090
				0.016
				0.040
				0.013
<b>(0.695)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.641</b>

Earmarked Reserves	
Training Fund	0.246
Sexual Health Services	0.109
IT Federated Trust Environment Strategy	0.214
Integrated Support Worker	0.153
Nursing Services	0.125
Social Care Contract Monitoring Staff	0.140
Area Wide Services - Health Promotion - North Lanarkshire Leisure agreement	0.123
Social Care Contracting Staff within Quality Assurance Services	0.108
Nursing Services - Extend Health Improvement Unit posts to March 2020	0.075
Community Assessment and Rehabilitation Service - Rehabilitation Pilot	0.023

				0.246
				0.109
				0.214
				0.153
				0.125
(0.140)				0.000
				0.123
(0.108)				(0.000)
				0.075
				0.023



North Lanarkshire IJB  
Position As At July / August 2020

Appendix 4 (Cont.)

Useable Reserve	Revised Balance As At 1 April 2020
Earmarked Reserves (Cont.)	£m
Motherwell Rehabilitation Team Leadership	0.058
Administration Support Services	0.044
Area Wide Services - Primary Care Corporate (iHUB Project - NES funding)	0.034
Test of Change - High Intensity Service Users	0.027
Nursing Services - Solihull Training	0.018
Winter Plan - Discharge To Assess	0.010
Self Directed Support Programme	0.252
Nurse Leadership Professional Capacity	(0.001)
Social Care Services - Community Alarms Care Inspectorate Requirements	0.170
MH PDN 0.2wte for 20/21 spend previously approved	0.011
Nursing Appointments	0.120
Dietetics	0.013
CARS	0.034
Area Wide Health Improvement posts	0.039
Adaptations Fund	0.286
Carers Act 2018	0.580
<b>Total Earmarked Reserves</b>	<b>3.010</b>

Risk-based Reserves	
Self Directed Support Strategy	3.214
Prescribing Fund	3.786
Financial Plan 2019/2020 Contingency	0.383
<b>Total Risk-Based Reserves</b>	<b>7.383</b>

<b>Contingency Fund</b>	<b>3.684</b>
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<b>General Fund Total</b>	<b>16.414</b>
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Transfers Out	Transfers To Contingency	Transfers From Contingency	Transfers In	Balance As At July / August 2020
£m		£m	£m	£m
				0.058
				0.044
				0.034
				0.027
				0.018
				0.010
(0.252)				(0.000)
				(0.001)
(0.170)				(0.000)
				0.011
				0.120
				0.013
				0.034
				0.039
(0.286)				0.000
(0.580)				0.000
<b>(1.536)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.474</b>

(3.214)				0.000
				3.786
				0.383
<b>(3.214)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.169</b>

<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>3.684</b>
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<b>(5.445)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>10.968</b>
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## Budget Reconciliation

Appendix 5

North Lanarkshire Health and Social Care Partnership Budget	Locality and Other Services	Addiction Services	Medical and Nursing Directorate	Prescribing	Out-of-Area Services	Area Wide Services	Hosted Services-North	Hosted Services-South	Family Health Services	Set-Aside	Social Work and Housing	IJB Operating Costs	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>Opening Budget As At 1 April 2020</b>	<b>45.313</b>	<b>4.392</b>	<b>4.261</b>	<b>71.098</b>	<b>4.098</b>	<b>7.887</b>	<b>107.736</b>	<b>24.237</b>	<b>101.599</b>	<b>61.229</b>	<b>210.627</b>	<b>0.205</b>	<b>642.682</b>
<b>Removal of Temporary Budgets 2019/2020</b>	(1.894)	(1.189)	(2.166)				(11.641)						(16.890)
<b>Budget Adjustments 2020/2021</b>													
Pay Award 2020/2021 - Net Budget Adjustments	1.523		0.114				3.065						4.702
Notional Set-Aside Budget 2020/2021 Uplift										1.837			
Savings 2020/2021	(0.597)		(0.050)										(0.647)
Prescribing Tariff and Other Adjustments				(2.452)									
North Boundary Service Level Agreement Uplift	0.192				0.006								0.198
Strathcarron Hospice	(0.569)												(0.569)
Budget Realignments - Various	0.010						(0.010)						0.000
Budget Adjustments - Other	0.095		(0.001)		0.182	0.587	1.419	0.812				(0.205)	2.889
<b>Sub Total</b>	<b>0.654</b>	<b>0.000</b>	<b>0.063</b>	<b>(2.452)</b>	<b>0.188</b>	<b>0.587</b>	<b>4.473</b>	<b>0.812</b>	<b>0.000</b>	<b>1.837</b>	<b>0.000</b>	<b>(0.205)</b>	<b>6.573</b>
<b>Net Budget Adjustment: 2020/2021 Uplift Offset By Budget Transfer to Children, Families and Justice Services</b>											(5.839)		(5.839)
<b>Income</b>													
Income - Various	0.267						0.466						0.732
NES Taskforce Income							0.435						0.435
NES Psych Income							1.217						1.217
<b>Sub Total</b>	<b>0.267</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>2.118</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>2.384</b>
<b>Draw Down From Reserves 2020/2021</b>													
Distress Brief Intervention							0.126						0.126
Veteran's First Point							0.211						0.211
Alcohol and Drug Partnership Funding		0.301											0.301
<b>Sub Total</b>	<b>0.000</b>	<b>0.301</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.337</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.638</b>
Speech, Language and Therapy Income			0.193										0.193
Mental Health Services Action 15 Funding							0.275						0.275
C/F Res PTT							0.317						0.317
Alcohol and Drug Partnership Funding - Draw Down From Scottish Government		0.672											0.672
Family Nurse Partnership			1.145										1.145
Blood Borne Virus Funding							1.297						1.297
Vaccine Funding							1.475						1.475
Reserves 2020/2021							2.174						2.174
Family Health Services - Demand led budget									2.730				2.730
Covid-19 Funding - Distress Brief Intervention							0.912						0.912
Covid-19 Funding (Social Care Services)													0.000
<b>Sub Total</b>	<b>0.000</b>	<b>0.672</b>	<b>1.338</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.450</b>	<b>0.000</b>	<b>2.730</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>11.191</b>
<b>Budget Adjustments Total</b>	<b>(0.973)</b>	<b>(0.216)</b>	<b>(0.764)</b>	<b>(2.452)</b>	<b>0.188</b>	<b>0.587</b>	<b>1.737</b>	<b>0.812</b>	<b>2.730</b>	<b>1.837</b>	<b>(5.839)</b>	<b>(0.205)</b>	<b>(2.558)</b>
<b>Revised Budget As Per July/August 2020 Finance Report</b>	<b>44.340</b>	<b>4.176</b>	<b>3.497</b>	<b>68.646</b>	<b>4.286</b>	<b>8.474</b>	<b>109.473</b>	<b>25.049</b>	<b>104.329</b>	<b>63.066</b>	<b>204.788</b>	<b>0.000</b>	<b>640.123</b>