

IJB55. Finance Report

The Integration Joint Board considered a report by the Chief Finance Officer which provided a summary of the financial position for the nine-month period ended 31 December 2021, including the projected forecast outturn for the year. The report detailed that a net overspend of £0.527m was reported as at 31 December 2021. This overspend was primarily the result of ongoing pressure within set aside and primary care services. There was no change to the forecast outturn which remained at breakeven.

The overall annual budget for the financial year 2021/22 amounted to £254.122m, which comprised of £223.603m in respect of the integrated budget and £30.519m in respect of set aside. This represented an increase of £6.593m compared to the £247.529m budget that was reported to the Board in November due to several additional in-year funding allocations, budget transfers and reserve movements.

The key issues relating to performance for the year to date included:-

- Large hospital services;
- Primary healthcare services;
- Community healthcare services, and,
- Social care services.

The additional costs associated with Covid-19 submitted to the Scottish Government were estimated at £8.433m. This was due to ongoing expenditure which related to PPE, financial sustainability support for external Social Care Providers and independent Primary Care contractors, infection prevention and control expenses and increased temporary staffing costs to cover employee absence due to Covid sickness and self-isolation requirements. The final return for 2021/22 would be submitted to the Scottish Government on 22 April 2022. The existing IJB Covid reserve of £6.397m would be utilised to meet those costs in the first instance.

Additional Covid funding of £15.536m had been allocated by the Scottish Government for 2021/22 to meet all additional costs, including under delivery of savings. This was £13.500m more than was requested for 2021/22. The Scottish Government had stipulated that if the funding was not fully utilised, any remaining balance must be carried forward through an earmarked Covid reserve in 2022/23. In the first instance, any unused balances from 2021/22 would therefore be used to meet ongoing additional costs incurred in 2022/23. The Board was asked to approve the use of excess Covid reserves to support the ability to recover, reduce unscheduled care and improve outcomes.

The forecast projection suggested a net overspend of £0.193m would be incurred by 31 March 2022. However, it was envisaged that the projected year end overspend could be managed locally to deliver a break even position by 31 March 2022.

Decision

The Integration Joint Board:-

- (1) noted the year to date overspend of £0.527m reported as at 31 December 2021;**
- (2) noted that a breakeven position was expected to be achieved at 31 March 2022;**
- (3) approved the breakdown of the payments to Falkirk Council and NHS Forth Valley as per the Directions summary that was provided at appendix 1 to the report, and**
- (4) approved the suggested approach to excess Covid reserves to ensure that they would be deployed to reshape whole system services within the delegated accountabilities of the IJB, to support the ability to recover, reduce unscheduled care and improve outcomes. A business case would be developed and brought to a future IJB meeting for formal approval as outlined in section 5 of the report.**