



PERTH & KINROSS INTEGRATION JOINT BOARD

AUDIT & PERFORMANCE COMMITTEE

22 June 2020

2019/20 FINANCIAL POSITION

Report by the Chief Financial Officer (Report No. G/20/63)

PURPOSE OF REPORT

This report is to update the Audit and Performance Committee on the year end out-turn for the 12 months to 31st March 2020 and the level of reserves to be carried forward to 2020/21 subject to yearend audit.

1. RECOMMENDATION(S)

It is recommended that the Committee:-

- (i) Notes the 2019/20 year-end out-turn of £1.798m overspend.
- (ii) Notes that earmarked reserves of £1.159m to be carried forward to 2020/21.

2. OVERVIEW

OVERALL

- 2.1 For the 12 Months to 31st March 2020 Perth & Kinross IJB has recorded an overspend of £1.798m. A breakdown of the £1.798m year overspend compared to 2019/20 Financial Plan and 2019/20 Financial Recovery Plan is provided in Table 1 below:-

TABLE 1 YEAR END OUT-TURN

		Financial Plan 2019/20	FRP Mid Year 2019/20	2019/20 Year End Outturn	Movement from Plan
	Finance Team Plan/Forecast	Over / (under) £'000	Over / (under) £'000	Over / (under) £'000	Over / (under) £'000
Core	PKHSCP	475	246	550	75
Other Hosted	ALL HSCP	0	(97)	(364)	(364)
Prescribing	NHST	752	322	(442)	(1,194)
GMS	NHST	0	123	(20)	(20)
IPMH	PKHSCP	574	672	623	49
Health		1,801	1,266	347	(1,453)
Social Care	PKHSCP	2,367	2,053	1,451	(916)
Total		4,168	3,319	1,798	(2,370)

- 2.2 **Movement from 2019/20 Financial Plan:** The £1.798m year end overspend has been achieved despite a £4.168m underlying recurring deficit in the 2019/20 Financial Plan. The biggest in year benefit has come from GP Prescribing where unanticipated levels of national rebates have driven a £1.194m improvement in the position compared to plan. Within Social Care, the impact of the financial recovery measures have contributed significantly however a further higher than unanticipated under spend of £0.566m in Care at Home has provided a significant year end benefit. Other Hosted Services has also provided a £0.364m unanticipated benefit driven significantly by Tayside Psychology Services.
- 2.3 **Movement from last report:** The Finance Report to the IJB in February 2020 forecast an overspend of £3.242m. This updated position represents an improvement of £1.444m, driven largely by a £0.570m improvement in Care at Home, a £0.333m improvement in the Prescribing position and a £0.213m increase in the under spend on Other Hosted Services.
- 2.4 **Financial Recovery Plan:** Agreed actions have been largely achieved with the exception of core health where some slippage has occurred in relation to Psychiatry of Old Age beds however actions continue to be taken to ensure costs are reduced to budget levels within 2020/21. A significant improvement in the year end out-turn on Prescribing, Other Hosted Services and Care at Home within Social Care has allowed the overall recovery plan target to be significantly exceeded.
- 2.5 **Financial Risk Sharing Arrangements:-** based on roll forward of 2018/19 risk sharing arrangements to 2019/20, Perth & Kinross Council's share of the out-turn overspend will be £1.451m and NHS Tayside's £0.347m.

2.6 **Reserves:** PKIJB carried forward £2.470m of earmarked reserves from 2018/19 to meet specific spending commitments in 2019/20. For 2019/20 a significantly reduced carry forward of earmarked reserves of £1.159m is being carried forward.

3. SERVICE FINANCIAL PERFORMANCE

3.1 A summary out-turn variance analysis is provided for Core Health & Social care Services at Appendix 1.

3.2 A summary of saving delivered against plan for 2019/20 for Core Health & Social care Services is provided at Appendix 2.

4. RESERVES

4.1 Appendix 3 provides a breakdown of the earmarked reserves be carried forward to 2020/21 to meet specific spending commitments, largely in relation to Scottish Government funds to support specific service improvement.

4.2 No unearmarked general reserves are being carried forward to 2020/21.

5. SUMMARY

5.1 The yearend overspend of £1.798m is a significant achievement given PKIJB's underlying deficit of £4.168m. The national unpredictability of GP Prescribing expenditure has fallen in our favour in 2019/20 providing a significant £1.194m year end benefit. However financial recovery measures across Social Care have driven a £0.916m reduction in the overspend, greatly exceeding financial recovery plan expectation. The £0.364m benefit from other hosted services was not anticipated at the start of the year however further review would indicate that this will recur in 2020/21 and should now be forecast to offset the gap in the PKIJB 2020/21 Financial Recovery Plan on an in year basis.

5.2 The anticipated recurring implications of the prescribing rebates benefit are built into the 2020/21 Financial Plan. However further work is required to review Care at Home demand moving forward although this will need to take account of COVID 19 response and recovery.

Author(s)

Name	Designation	Contact Details
Jane M Smith	Chief Financial Officer	janemsmith@nhs.net