

## **Stephen Brown (Chief Officer)**

Orkney Health and Social Care Partnership

01856873535 extension: 2601

[OHACfeedback@orkney.gov.uk](mailto:OHACfeedback@orkney.gov.uk)



Agenda Item: 11

## **Integration Joint Board**

**Date of Meeting: 3 September 2025.**

**Subject: Revenue Expenditure Monitoring.**

### **1. Purpose**

1.1. To present the Revenue Expenditure Monitoring report for the period to 30 June 2025 for scrutiny.

### **2. Recommendations**

The Integration Joint Board is invited to note:

2.1. The financial position of the Orkney Health and Social Care Partnership as at 30 June 2025 as follows:

- A current overspend of £815k on delegated services and an overspend of £435k on Set Aside services.
- The quarter 1 overspend on delegated services is made up of £372k overspend on NHS Orkney commissioned services and £443k overspend on Orkney Islands Council commissioned services.

2.2. That work will be undertaken with both partners with the aim of delivering savings in order to deliver a position that is closer to balance the budget by year end.

#### **It is recommended:**

2.3. That the Board approves the Direction, attached as Appendix 1 of this report, to disestablish the post of Head of Strategic Planning and Performance and, utilising the recurrent budget, of £110,407, to put towards the NHS Orkney savings target.

### **3. Background**

3.1. Within the Integration Joint Board (IJB), presentation of the figures is consistent with the Council's approach. Positive figures illustrate an overspend and figures within a bracket show an underspend. This is the opposite way within NHS reports.

3.2. Within the Integration Scheme it states that, throughout the financial year, the Board shall receive comprehensive financial monitoring reports. The reports shall set out information on actual expenditure and budget for the year to date and forecast outturn against annual budget together with explanations of significant variances and details of any action required.

3.3. Any potential deviation from a breakeven position should be reported to the Board, NHS Orkney and Orkney Islands Council at the earliest opportunity.

3.4. The Orkney Integration Scheme requires that where it is forecast that an overspend shall arise then the Chief Officer and the Chief Finance Officer of the Board, in consultation with NHS Orkney and Orkney Islands Council, shall identify the cause of the forecast overspend and prepare a Recovery Plan setting out how they propose to address the forecast overspend and return to a breakeven position.

3.5. A Recovery Plan shall aim to bring the forecast expenditure of the Board back in line with the budget within the current financial year. The Recovery Plan shall then be approved by the Board. Where an in-year recovery cannot be achieved then any Recovery Plan that extends into later years should ensure that over the period of the Strategic Plan forecast expenditure does not exceed the resources made available. Any Recovery Plan extending beyond in year shall also require approval of NHS Orkney and Orkney Islands Council in addition to the Board.

3.6. The Orkney Integration Scheme requires that where a Recovery Plan extends beyond the current year any shortfall (the amount recovered in later years) will be charged to reserves held by the Board.

3.7. Where such Recovery Plans are unsuccessful and an overspend occurs at the financial year end, and there are insufficient reserves to meet the overspend, then the partners will be required to make additional payments to the Board. Such arrangements should describe additional Recovery Plans and a clear formal agreement by the Board and the Parties to breakeven within a defined timescale.

3.8. The full year forecast outturn projection will be reported for quarter 2 following a detailed review of spend activity and the potential impact of Recovery Plans to reduce spend this financial year.

3.9. The Board may also consider issuing further Directions to NHS Orkney or Orkney Islands Council.

## **4. Main Financial Issues**

### **4.1. Agency Staff Costs**

4.1.1. Agency and Locum staff costs continue to be the largest cause of overspend to budget.

### **4.2. Children and Families (£146k overspend).**

4.2.1. Agency staff back fill costs, and associated travel and accommodation costs to ensure ongoing provision of statutory services.

4.2.2. Self-directed support costs which have not been previously budgeted for.

#### **4.3. Care at Home (£142k overspend).**

4.3.1. This overspend is due to the need to use agency to achieve staffing levels required to deliver care needs and meet safe staffing legislation.

#### **4.4. Elderly (£107k overspend).**

4.4.1. The majority of this overspend is due to the ongoing need to use overtime and agency staff to fill vacancies and sickness in order to meet care needs as per the safe staffing legislation.

#### **4.5. Disability (£100k overspend).**

4.5.1. The majority of the overspend is due to the need to use agency to achieve staffing levels required to deliver care needs and meet safe staffing legislation.

#### **4.6. Mental Health (£62k underspend).**

4.6.1. This underspend is due to additional budget to fund a consultant psychologist post in 2025/26 where the postholder has only recently commenced in post so no costs have been incurred.

#### **4.7. Other Community Care (£78k underspend).**

4.7.1. There are a number of varying reasons in this grouping which include some vacancies that are being addressed and also budget required to be reprofiled to year-end in line with when the corresponding funding is paid across.

### **5. Financial Position**

5.1. The following table shows the revised total budget allocation as at 30 June 2025 for delegated services commissioned.

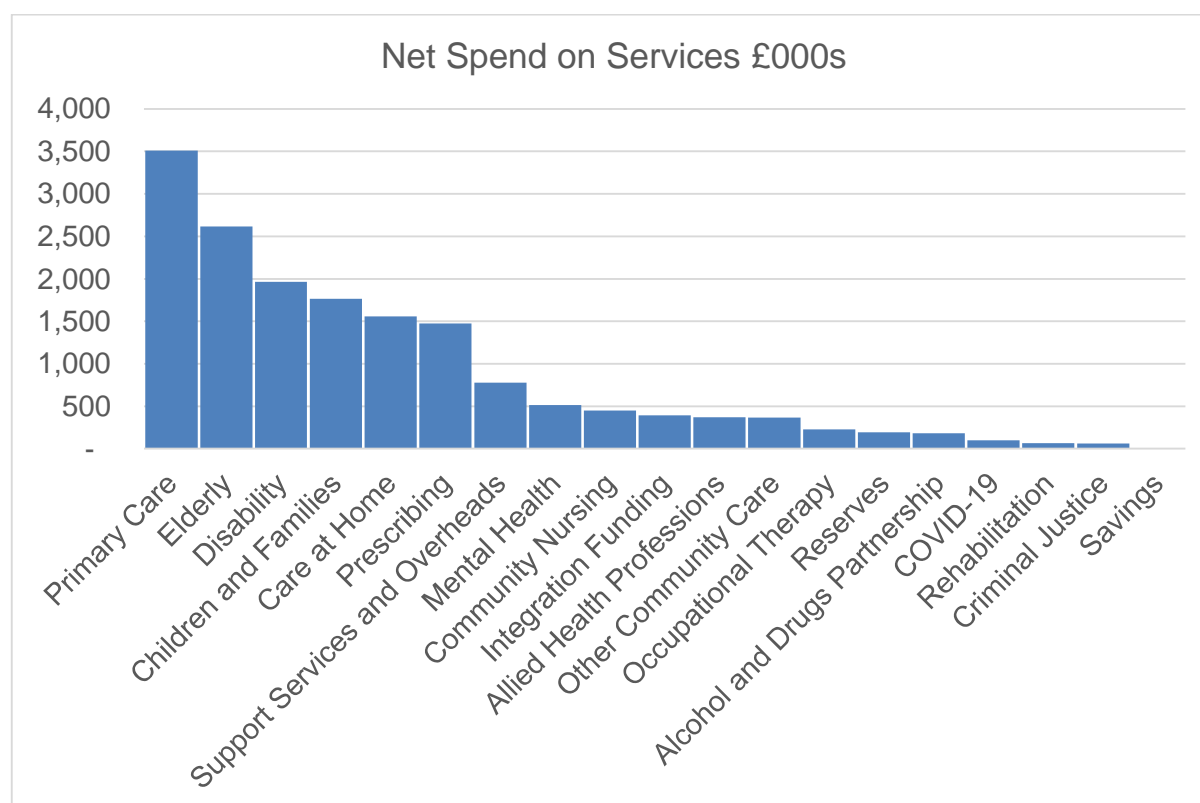
	<b>Original Budget</b>	<b>Revised Budget</b>	<b>Budget Movement</b>
<b>Partner</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
NHS Orkney	32,579	33,319	740
Orkney Islands Council	31,575	31,414	(161)
<b>Service Totals</b>	<b>64,154</b>	<b>64,734</b>	<b>580</b>
Set Aside	10,258	11,125	867
<b>IJB Total</b>	<b>74,412</b>	<b>75,859</b>	<b>1,447</b>

5.2. The following table shows the current financial position as at 30 June 2025 for delegated services commissioned.

5.2.1. The financial position for quarter 1 is £815k overspend.

	Year to Date Spend	Year to Date Budget	Over/(Under) Spend	
<b>IJB Commissioned Services</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>
Support Services and Overheads	777	828	(50)	94
Alcohol and Drugs Partnership	179	143	36	125
Children and Families	1,765	1,619	146	109
Prescribing	1,476	1,514	(38)	97
Elderly	2,616	2,509	107	104
Integration Funding	393	390	3	101
Disability	1,965	1,864	100	105
Mental Health	516	578	(62)	89
Other Community Care	364	442	(78)	82
Occupational Therapy	226	248	(23)	91
Care at Home	1,559	1,416	142	110
Criminal Justice	62	58	4	106
Community Nursing	452	555	(103)	81
Primary Care	3,509	3,492	17	100
Allied Health Professions	367	329	38	112
Rehabilitation	62	82	(20)	75
COVID-19	99	103	(4)	96
Reserves	192	192	0	n/a
Savings	0	(600)	600	0
<b>Service Totals</b>	<b>16,578</b>	<b>15,763</b>	<b>815</b>	<b>105</b>
Set Aside	3,216	2,781	435	116
<b>IJB Total</b>	<b>19,794</b>	<b>18,544</b>	<b>1,249</b>	<b>107</b>

5.3. The first quarter net spend can be illustrated as follows:



## 6. Set Aside

6.1. The following table shows the current financial position as at 30 June 2025. The year end projection will be reviewed on a regular basis throughout the year and will be reported for quarter 2.

Services	Year to Date Spend	Year to Date Budget	Over/ (Under) Spend	
	£	£	£	%
Acute Services	639,341	547,803	91,538	116.7
Medical Team – Junior Doctors	406,303	406,511	(208)	99.9
Medical Team – Consultants	478,976	147,811	331,165	324.0
Assessment and Rehabilitation	454,025	430,360	23,665	105.5
Hospital Drugs	385,221	366,250	18,971	105.2
Acute Receiving	407,810	456,339	(48,529)	89.4
Acute Mental Health Placements	-	-	-	n/a
<b>Sub Total</b>	<b>2,771,676</b>	<b>2,355,074</b>	<b>416,602</b>	<b>117.7</b>

Services	Year to Date Spend	Year to Date Budget	Over/ (Under) Spend	
	£	£	£	%
Memorandum Budget - Outwith Orkney Acute Services:				
Unplanned Activity (UNPACS)	137,213	135,110	2,103	101.6
SLA Healthcare Purchasing Grampian Mental Health	213,414	205,743	7,671	103.7
SLA Healthcare Purchasing Grampian Block	43,524	43,524	-	n/a
SLA Healthcare Purchasing Lothian	50,433	41,895	8,538	120.4
Sub Total	444,584	426,272	18,312	104.3
Grand Total - Set Aside	3,216,260	2,781,346	434,914	
Additional funding	-	434,914	(434,914)	
Total Set Aside	3,216,260	3,216,260	-	

## 7. Potential Savings

7.1. The post of Head of Strategic Planning and Performance was established in April 2023 and took responsibility for the following areas:

- Performance.
- Strategic Planning.
- Training.
- Business Support.
- Organisational Development.
- Project Manager.
- Commissioning.
- Community Engagement.
- Community Led Support.

7.2. The previous postholder retired in March 2024 and the post has remained vacant.

7.3. Following discussion with the Senior Management Team, it was agreed to provide the service in a different way by redesigning how the areas detailed at section 7.1 above were delivered.

7.4. The draft Direction to NHS Orkney, attached as Appendix 1 to this report, proposes to disestablish the post of Head of Strategic Planning and Performance utilising the recurrent budget, of £110,407, to put towards the NHS Orkney savings target.

## 8. Contribution to quality

Please indicate which of the Orkney Community Plan 2025 to 2030 values are supported in this report adding Yes or No to the relevant area(s):

<b>Resilience:</b> To support and promote our strong communities.	Yes.
<b>Enterprise:</b> To tackle crosscutting issues such as digital connectivity, transport, housing and fuel poverty.	No.
<b>Equality:</b> To encourage services to provide equal opportunities for everyone.	Yes.
<b>Fairness:</b> To make sure socio-economic and social factors are balanced.	Yes.
<b>Innovation:</b> To overcome issues more effectively through partnership working.	No.
<b>Leadership:</b> To involve partners such as community councils, community groups, voluntary groups and individuals in the process.	No.
<b>Sustainability:</b> To make sure economic and environmental factors are balanced.	No.

## 9. Resource and financial implications

9.1. The quarter 1 year to date variance position is showing overspends in services delegated of £815k and of £435k for Set Aside services.

9.2. There is a risk that should service commitments activity continue in the same pattern the year end outturn position would be a significant overspend.

9.3. As detailed in section 7, it is proposed to disestablish the post of Head of Strategic Planning and Performance to be put forward as recurrent savings to NHS Orkney of £110,407.

## 10. Risk, equality and climate change implications

10.1. The Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded; properly accounted for; and used economically, efficiently and effectively.

10.2. The IJB projected year to date position is an overspend against budget at the end of quarter 1 including Set Aside totals £1,249k. It is therefore likely that the IJB will be in a significant overspend position at the year end date of 31 March 2026. This poses a significant risk to the IJB in being able to continue current levels of service delivery.

10.3. There are no equality implications directly arising from this report. Any future reductions in service delivery will need to be risk assessed and equality implications considered.

## 11. Direction required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	Yes.
Orkney Islands Council.	No.

## 12. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.

## 13. Author and contact information

13.1. Deborah Langan (Chief Finance Officer), Integration Joint Board. Email: [deborah.langan@orkney.gov.uk](mailto:deborah.langan@orkney.gov.uk), telephone: 01856873535 extension 2601.

## 14. Supporting Documents

14.1. Appendix 1: Draft Direction to NHS Orkney.





## Integration Joint Board Direction.

<b>Reference</b>	2025.02 – Disestablish Post.
<b>Date direction issued</b>	3 September 2025.
<b>Date direction in effect from</b>	Date to be determined by Integration Joint Board.
<b>Direction issued to</b> (delete as appropriate)	NHS Orkney.
<b>Does this direction supersede, amend or cancel a previous direction – If yes, include reference number(s)</b> (delete as appropriate)	No.
<b>Service area covered by direction</b>	Strategic Planning and Performance.
<b>Detail of Direction</b>	To disestablish the post of the Head of Strategic Planning and Performance, with the recurring funding put towards the savings target at NHS Orkney.
<b>Budget allocated for this direction</b>	The Band 8b post costs a total of £110,407 per year which will be put towards the savings target of NHS Orkney.
<b>Outcome(s) to be achieved, including link to Strategic Plan</b>	Not applicable.
<b>How will this be measured</b>	Funding from the disestablish post will go towards the NHS Orkney Savings target as a recurrent saving.
<b>Date of direction review</b>	Not applicable.