

Stephen Brown (Chief Officer)

Orkney Health and Social Care Partnership

01856873535 extension: 2601

OHACfeedback@orkney.gov.uk



Agenda Item: 10

Integration Joint Board

Date of Meeting: 3 September 2025.

Subject: Revenue Expenditure Outturn.

1. Purpose

1.1. To advise Members of the revenue expenditure outturn position for financial year 2024/25.

2. Recommendations

The Integration Joint Board is invited to note:

2.1. The revenue expenditure draft outturn statement in respect of the Orkney Health and Social Care Partnership, excluding Set Aside, for financial year 2024/25, as detailed at section 4.1 of this report.

2.2. That, for financial year 2024/25, the draft outturn position is an overspend position of £4.448 million. The total Integration Joint Board approved budget was £61.108 million and the draft outturn spend is £65.556 million.

2.3. The overspend position comprises:

- NHS Orkney commissioned service – £0.892 million.
- Orkney Islands Council commissioned services – £3.556 million.

2.4. That the entirety of the NHS Orkney overspend, £0.892 million, can be attributed to the £2.4 million savings target that was set prior to the pandemic. Although the savings target has not been met, the saving was applied to the budget by NHS Orkney.

2.5. The revenue expenditure outturn statement in respect of the Set Aside budget for financial year 2024/25, as detailed at section 5 of this report, which indicates a year end balanced position.

2.6. That additional funding of £2.192 million was received via NHS Orkney to achieve a year end balanced position for Set Aside services.

2.7. The options available to NHS Orkney and Orkney Islands Council, as stated in paragraph 4.3.1.4 of the Integrated Resources Advisory Group Finance Guidance, namely:

- Make additional one-off payments to the Integration Joint Board.
- Provide additional resources to the Integration Joint Board which are then recovered in future years, subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address this.

2.8. That NHS Orkney and the Council have agreed “subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address the overspend, to provide additional resources to the Integration Joint Board which are then recovered in future years where an underspend position is achieved”.

3. Financial Summary

3.1. Within the Integration Joint Board, 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.

4. Financial Position

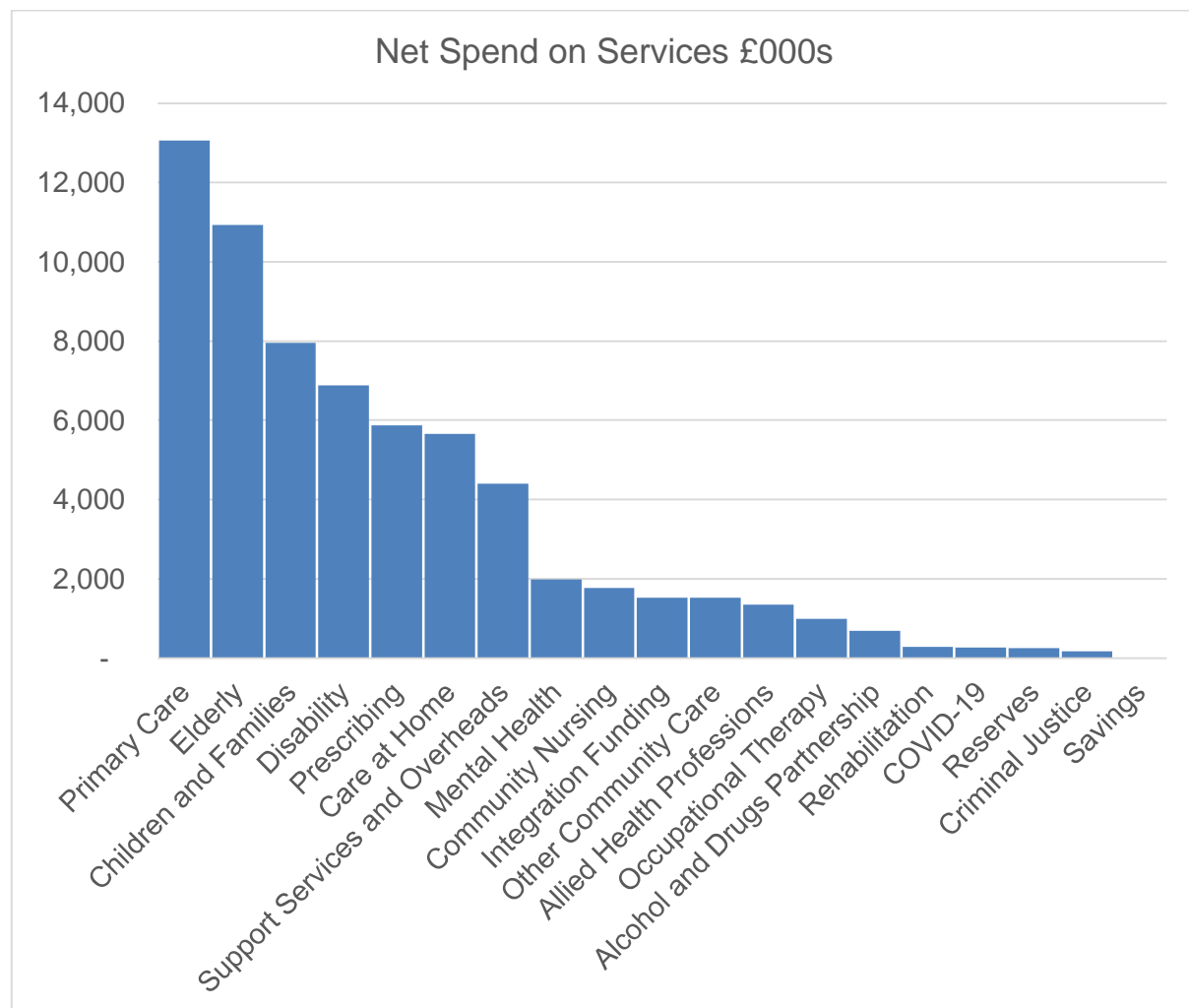
4.1. The following table shows the summary year-end financial position, for delegated services, excluding set aside, as at 31 March 2025.

	Full Year Spend	Annual Budget	Over/(Under) Spend	
IJB Commissioned Services	£000	£000	£000	%
Health	32,637	31,745	892	103
Social Care	32,919	29,363	3,556	112
Service Totals	65,556	61,108	4,448	107

4.1.1. The following table shows detailed year-end financial position per service, for IJB delegated services, excluding set aside, as at 31 March 2025.

	Full Year Spend	Annual Budget	Over/(Under) Spend	
IJB Commissioned Services	£000	£000	£000	%
Support Services and Overheads	4,396	5,225	(829)	84
Alcohol and Drugs Partnership	691	581	109	119
Children and Families	7,961	7,427	534	107
Prescribing	5,866	6,119	(253)	96
Elderly	10,927	8,231	2,696	133
Integration Funding	1,525	1,525	0	n/a
Disability	6,887	6,703	184	103
Mental Health	1,984	1,990	(6)	100
Other Community Care	1,521	1,550	(29)	98
Occupational Therapy	990	997	(7)	99
Care at Home	5,655	5,182	473	109
Criminal Justice	176	187	(12)	94
Community Nursing	1,767	2,035	(268)	87
Primary Care	13,055	13,191	(136)	99
Allied Health Professions	1,350	1,199	151	113
Rehabilitation	286	310	(24)	92
COVID-19	266	301	(35)	88
Reserves	253	253	0	n/a
Savings	0	(1,900)	1,900	0
Service Totals	65,556	61,108	4,448	107

4.2. The net spend can be illustrated as follows:



4.2.1. Support Services and Overheads (£829K underspend).

The main cause of the underspend was due to the additional money received from Scottish Government for additional capacity. The amount should have been reallocated across services but was held centrally in the Council's Integration Joint Board cost centre.

In addition, NHS Orkney support services budgets were underspent due to vacancies.

4.2.2. Alcohol and Drugs Partnership (£109K overspend).

Overspend due to unbudgeted Alcohol and Drugs Partnership support worker posts.

4.2.3. Children and Families (£534K overspend).

There was a continued reliance on agency staffing due to recruitment issues and long-term sickness. The overall staffing budget was £800K overspent. £1,381K was spent on agency staff which includes accommodation and travel.

The additional residential care facility has incurred additional unbudgeted costs.

4.2.4. Prescribing (£253K underspend).

Allocation of additional funding to help mitigate budget pressures due to continued increase in average unit price.

4.2.5. Elderly (£2,696K overspend).

There was a continued reliance on agency staffing due to recruitment issues and long-term sickness absence within residential care homes.

The trend of increasing volume of individuals needing a provision of residential care outwith Orkney to accommodate their needs, which is provided by third parties, continued into the 2024/25 financial year.

Direct Payments were also over budget for the year.

4.2.6. Disability (£184K overspent).

The overall disability staffing budget was £576K overspent. £750K was spent on agency staff which includes accommodation and travel.

4.2.7. Care at Home (£473K overspend).

Due to vacancy rates, care at home services require considerable agency backfill which is accountable for the majority of the overspend.

4.2.8. Community Nursing (£268K underspend).

Underspend relates mainly to staff vacancies in Mainland Nursing Teams.

4.2.9. Primary Care (£136K underspend).

There was an underspend within community dental services due to staff vacancies.

4.2.10. Savings unachieved (£1,900K overspend).

This relates to unachieved savings of the £2.4 million target.

5. Set Aside

5.1. The following table shows the year end position as at 31 March 2025:

Services	Full Year Spend	Annual Budget	Over/ (Under) Spend	Over/ (Under) Spend	Explanation of Variance
	£	£	£	%	
Acute Services	2,219,712	1,773,893	445,819	125.1	£52K of unfunded agency costs, £326K over establishment on registered nursing and £70K overspend on supplies.
Medical Team – Junior Doctors	1,497,968	1,591,224	(93,256)	94.1	£463K relates to the spend on agency which is offset by £497K of vacancies.
Medical Team – Consultants	1,400,852	584,251	816,601	239.8	£617K relates to the overspend on locums and the balance is due to associated non pay costs.
Assessment and Rehabilitation	2,069,294	2,068,893	401	100.0	Overspend due to unfunded agency costs.
Hospital Drugs	1,551,765	930,193	621,572	166.8	Drugs issued by Pharmacy Department to Hospital Wards. 2023/24 outturn was £1.148M
Acute Receiving	1,426,445	1,019,982	406,463	139.9	Overspend due to nursing over establishment.
Acute Mental Health Placements	100,723	212,993	(112,270)	47.3	Fewer placements than budgeted for.
Sub Total	10,266,759	8,181,429	2,085,330	125.5	

Memorandum Budget – Outwith Orkney Acute Services:					
Services	Full Year Spend	Annual Budget	Over/ (Under) Spend	Over/ (Under) Spend	Explanation of Variance
	£	£	£	%	
Unplanned Activity (UNPACS)	567,273	612,626	(45,353)	92.6	Expenditure for unplanned activity is unpredictable.
SLA Healthcare Purchasing Grampian Mental Health	828,795	774,890	53,905	107.0	Uplifted 2024/25 charge from NHS Grampian.
SLA Healthcare Purchasing Grampian Block	169,025	169,025	-	n/a	n/a
SLA Healthcare Purchasing Lothian	195,857	98,077	97,780	199.7	Uplifted 2024/25 charge from NHS Lothian.
Sub Total	1,760,950	1,654,618	106,332	106.4	
Grand Total - Set Aside	12,027,709	9,836,047	2,191,662		
Additional year-end funding	-	2,191,662	(2,191,662)		
Total Set Aside	12,027,709	12,027,709	-		

6. 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):

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

7. Resource and financial implications

7.1. The revenue expenditure outturn indicates an overspend position of £4.448 million for financial year 2024/25.

7.2. Additional funding of £2.192 million was received from NHS Orkney to achieve a year end balanced position for Set Aside services.

7.3. After consideration, NHS Orkney and the Council agreed “subject to scrutiny of the reasons for the overspend and assurance that there is a plan in place to address the overspend, to provide additional resources to the Integration Joint Board which are then recovered in future years where an underspend position is achieved”.

8. Risk and equality implications

8.1. 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.

8.2. Over reliance on agency staff in respect of the Elderly care, Disability and Care at Home services poses a significant risk to IJB finances and to the delivery of the outcomes of the Strategic Plan.

8.3. Reliance cannot be placed on year end additional funding being available in future years. There is therefore a material risk that the current level of service provision may not be affordable in future years.

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

9. Direction required

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

NHS Orkney.	No.
Orkney Islands Council.	No.

10. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.

11. Authors and contact information

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

12. Supporting documents

12.1. Annex 1: IJB Reserves/Holding Account.

Annex 1: IJB Reserves/Holding Account

		2024/25		
	Balance as at 31/03/24	Funds In	Funds Out	Balance as at 31/03/25
	£000	£000	£000	£000
Primary Care	622	735	(782)	575
COVID-19	138	0	(126)	12
Hospital At Home	219	0	(69)	150
Integration Support/System Pressures	387	349	(112)	624
Alcohol and Drugs Prevention	596	242	(28)	810
Mental Health	306	1,666	(996)	976
Children and Family Services	8	4	(12)	0
Other*	439	254	(554)	139
Total Earmarked Reserves	2,715	3,250	(2,679)	3,286

*Note: This is in relation to smaller funding streams that gets allocated to cost centre once costs are known.