

Integration Authorities

FINANCIAL PERFORMANCE

Financial Year 2018/19 (Quarter 1)



OVERVIEW

This summary report provides a high level overview of financial performance for Integration Authorities (IA's) for Quarter 1 of the financial year 2018/19, including the position for the NHS Highland Lead Agency arrangement. At a high level, IA's had a total budget of £8,462m, with 5 IA's (representing £2,440m) reporting a year to date position of £0.5m overspent and 25 IA's (representing £6,022m of the budget) reporting a projected year end overspend of £89m. 1 IA has not been able to submit returns due to financial performance for the year still to be reported in the public domain, and some IA's have not yet started to report projected outturn positions. All figures quoted within this report exclude this IA.

18/19 Budget

- 7% budget set aside
- 35% social care
- 58% health
- £40m of savings still to be identified
- £6m planned use of reserves
- 4 IA's with no reported set aside budget



BUDGET POSITION

Following approval, 2018/19 budgets have shown a total increase of £9m relating to pressures and can be analysed as follows:-

- £0.961m non delivery of savings
- £1.906m linked to price increases
- £0.286m staffing pressures
- £0.715m other funding pressures
- £5.143m "other funding" is in the main funding that has passed through Partners to the IA's and is not linked to in year pressures i.e. PCIF and Action 15.

One IA has set a budget with an agreed funding deficit. A financial recovery plan is currently being drafted to reduce this deficit. Six other IA's have not agreed balanced budgets with savings still to be identified.



VARIANCE – FULL YEAR AND YEAR TO DATE

IA's have different reporting methods, with the majority reporting full year projections and 5 at Quarter 1 reporting year to date positions. The main causes of variations are reported below. The CFO Section will develop more detailed reporting in Quarter 2 to gain an understanding of the challenges which exist in relation to the delivery of savings.

Full Year

- +£61m non delivery of savings
- +£15m staffing pressures
- +£8m prescribing
- +£7m demographics

Year to Date

- +£1m non delivery of savings
- +£1m prescribing
- -£1.5m net underspends



IMPACT ON FUNDING

It is currently estimated that this financial position will be addressed in the following way:-

- Anticipated additional funding from NHS Boards £11m
- Other £9m, which could include the development of a financial recovery plan
- Use of IA Reserves £4m
- Anticipated additional funding from Local Authorities £2m
- Agreed financial recovery plan £1m

The funding impact of £63m remains not yet determined or has still to be publicly reported.

Repayment of Funding Advances

- £1.747m in 18/19
- £6.265m due 19/20 or later



FUTURE REPORTS

IA's are working collaboratively to develop a framework for financial reporting to support the work of Scottish Government. This framework will continue to be developed during 2018/19.