



PROPOSED INTEGRATED SHADOW BUDGET

Purpose

The attached paper is to enable the Integration Joint Shadow Board to agree the proposed scope and the associated financial resources of the integrated budget for 2014/15.

Background

During 2013/14 the Finance Integration Subgroup has been working to establish a proposed budget for the Joint Shadow Board for 2014/15. The proposed budget as detailed in this report includes the services previously agreed by NHS Borders and Scottish Borders Council for integration and has now been expanded to include areas which the Finance Subgroup consider should be included following parliamentary approval of the Act, the publication of further consultation documentation and recent guidance from the Integrated Resources Advisory Group (IRAG). At a meeting on the 18 March NHS Borders and Scottish Borders Council representatives agreed to delegate to the Shadow Board the decision on which additional services should be included in the shadow budget as per the updated legislation. A paper setting out the draft format of the shadow budget was subsequently prepared for consideration at a meeting of the Pathfinder Integration board on 21 March. This was further discussed at the CHCP meeting on 24 March. Beyond this, wider engagement to agree any extended scope has not taken place in either of the partner organisations.

In the case where it has not been possible to disaggregate some services to reflect the operational budget specifically for older people, the full operational budget has been included in the integrated budget.

The Shadow Board's overall aim is to make the shadow year as representative as possible of the live situation post April 2015, however there is an acceptance that due to the ongoing consultation process linked to the legislation and actual experience of operating the partnership during the shadow year there will be changes to the shadow budget going forward.

Both partner organisations have agreed for 2014/15 the Shadow Board integrated budget will be prepared on an aligned basis. The quantification of the budget is set out in appendix 2.

Summary

The attached report and appendices provide:

- **Proposed Scope of the Shadow Integrated Budget**

A brief description of, and therefore the rationale for, the services to be included within the proposed integrated budget, for the initially agreed scope takes into account the recently approved Public Bodies (Joint Working) (Scotland) Act. The proposed extended scope reflects current understanding of the consultation documents issued following parliamentary approval of the act and the recently published IRAG Guidance.

- **Integrated Shadow Budget for the Proposed Scope**

Agreed Scope

For the initially agreed scope the appendix details by service the proposed shadow budget for 2014/15 and for comparison purposes 12/13 outturn spend and 13/14 projected outturn.

NHS Proposed Extended Scope

For the proposed extended scope financial figures for NHS services have been provided for illustrative purposes.

Local Authority Proposed Extended Scope

Again for illustrative purposes the headings included in the recent post legislation consultation papers are noted for information only at this stage. Consequently, the budgetary values of the potentially extended scope services expressed in the guidance with respect to Local Authority Services have not been included in this paper. Further papers with recommendations will be brought back to the Shadow Board when the implications of the references to wider local authority services (for example Housing) have been explored and clarified. These recommendations may be either that these SBC services, or parts thereof, should be included or excluded from the partnership budget in the shadow year. As from April 2015 national guidance will specify which services must be included within the integrated budget.

- **Budget Principles**

An agreed set of budget principles which underpin calculation, reporting and financial planning for the Integration Board budget both during the shadow year and beyond are set out in appendix 3.

The Shadow Board is recommended to:-

Agree the initial scope of the integrated base budget for shadow year 2014/15 totalling £118m prepared on an aligned basis as set out in appendix 2;

Note that the draft Partnership Strategic Plan will be developed based on a proposed extended scope, as set out in the consultation papers, which is yet to be agreed and endorsed by both organisations;

Note that a further paper will be submitted to the June Shadow board detailing those services that were highlighted for inclusion in the current Scottish Government consultation paper with recommendations on how to proceed with regard to the future delivery of those services; and

Endorse the budget principles set out in appendix 3 which have been applied to enable calculation of the initial base integrated budget to be managed on an aligned basis for financial year 2014/15.

Introduction

During 2013/14 the Finance Integration Subgroup has been working to establish a proposed budget for the Joint Shadow Board for 2014/15. The proposed budget includes the services previously agreed by NHS Borders and Scottish Borders Council for integration and has been expanded to include areas which the Finance Subgroup consider should be included due the extended scope as reflected in legislation, the subsequent consultation documentation issued by Scottish Government and the recently published guidance from the Integrated Resources Advisory Group (IRAG).

A paper setting out the draft format of the shadow budget and including financial resources was subsequently prepared by Finance Staff for consideration by senior Officers at a meeting of the Pathfinder Integration Board on the 21 March 2014. This paper was then submitted for consideration at the CHCP meeting on the 24 March 2014. Beyond this, wider engagement to agree the extended scope has not taken place in either of the partner organisations.

The overall aim is to make the shadow year as realistic as possible to the live situation post April 2015; however, there is an acceptance that due to the ongoing consultation linked to the legislation and actual experience of operating in the shadow year there may be changes to the shadow budget in year which will have implications for future financial years. Both partner organisations have agreed for 2014/15 that the Shadow Board integrated budget will be on an aligned basis. Budgets for 2015/16 will be fully integrated as required by legislation.

NHS Borders and Scottish Borders Council representatives agreed to delegate to the Shadow Board the decision on which additional services should be included in the shadow budget as per the updated legislation. This paper is intended to enable the Integration Joint Shadow Board to agree the scope and the proposed level of the integrated budget for 2014/15.

Proposed Scope of the Initial Base Shadow Integrated Budget

This section of the report provides a brief description of, and therefore the rational for, the services to be included within the proposed integrated budget from April 2014 and further proposals to extend this scope in drafting the Partnership Strategic Plan taking into account the recent legislation.

Agreed Initial Scope

NHS Borders and Scottish Borders Council last calendar year agreed that the following services should be included within the integrated budget. Detailed below is a brief description of these services.

Joint Learning Disability Service

This is a joint Scottish Borders Council and NHS Borders service for adults who have a significant lifelong condition which can reduce their ability to understand new or complex information or to cope independently and provides a range of services made up of the following:-

Community Learning Disability Teams (East and West)

Both teams are staffed by social workers, community nurses, allied health professionals and a learning disability psychiatric service. They provide both an assessment and care management service for adults with a learning disability as well as an assessment and treatment service for individuals who have complex health care needs.

Assertive Outreach Team

This team provides intensive support to individuals in their own homes in order to prevent hospital admission. The service is supported by access to inpatient beds through the South East Learning Disability Managed Care Network (SEAT) and replaces the Hume in-patient unit.

Day Support Services

These include five day support centres and a local area co-ordination service.

Commissioned Service

Services provided in out of area placement for Borders residents.

Joint Mental Health Service

NHS Borders' and Scottish Borders Council's Joint Mental Health Service consists of a range of multi-disciplinary staff that provide treatment, continued recovery and psychological therapies through a variety of in patient and community services. These include home-based services such as home care, housing support and day services such as drop-in centres. Other forms of support provided include Independent Advocacy, Befriending and Employability support.

Alcohol and Drug

Drug and Alcohol services are provided through the Drug and Alcohol Partnership. This Partnership a multi-agency body working proactively on preventative approaches to reducing alcohol and drug mistreatment, recovery and rehabilitation for people affected by alcohol and drug problems and on reducing the impact on their families and local communities this causes. The Partnership is supported by other services within both organisations.

Older People's Service

A wide range of both traditional and new, innovative, services such as nursing, residential and home care, intermediate care, extra care housing and day services such as & social and day centres, are provided to residents in the Scottish Borders who are over 65, together with a range of preventative and transitional services in order to enable people to remain in their own home for as long as possible. Care for people with Dementia is also supported by this budget.

Physical Disability Service

This service includes the delivery of residential and home care to clients with Physical Disabilities. Additionally, supported living and a brain injury service form part of the range of primarily-Social Care services provided by NHS Borders and Scottish Borders Council in partnership with the Voluntary Sector to provide quality services that support clients' ongoing health and wellbeing. It also includes the Ability Centre and other day support services where people whose independence and mobility is limited because of a physical disability, frailty or ill-health can meet new people and learn new skills.

Community Hospitals and Day Hospitals

NHS Borders has four community hospital based in Peebles, Hawick, Duns and Kelso. These hospitals provide in the main general practice and rehabilitation inpatient beds and are often co located with day hospital services. This also includes the day hospital which is located.

GP Prescribing

This budget heading includes the cost of the drugs dispensed by pharmacists on behalf of GP's through prescription for the entire Borders population.

AHP Services

This heading includes all allied health professional services including:

- Dietetics
- Occupational Therapy
- Speech & Language Therapy
- Physiotherapy
- Podiatry
- Orthopaedic Workshop

These services provide care to all areas of the population including older people and children in both inpatient and community settings.

General Medical Service

These are services provided under the general medical services contract by GP's to the Borders population.

Community Nursing

This heading includes all services provide by health visitors, district nurses and school nurses.

Border Equipment Store

This is a joint service providing specialist equipment to service users in the community.

Other

For 2014/15 the final year of the partnership Change Fund is included in the integrated budget. Generic services provided by Scottish Borders Council include Self-Directed Support and the Emergency Duty Team.

In the case where it has not been possible to disaggregate some services to reflect the operational budget specifically for older people the full operational budget has been included in the integrated budget.

NHS Extended Proposed Scope – For Illustrative Purposes

The extended NHS proposed scope contains services which do not form part of the initial base scope for integration budgets. Further refinement of the scope is ongoing however these services should be included in the development of the Partnership Strategic Plan to be endorsed and agreed as part of the development process for the Partnership and in light of the requirements of any guidance arising from the ongoing consultation process.

Detailed below is a brief description of the **main** service areas that will be evaluated for inclusion in the extended proposed scope.

Borders Emergency Community Service

This is the provision of general medical services out of hours for patients not requiring accident and emergency attendance.

Resource Transfer

This is the amount transferred between health and local authority for services linked to closed inpatient beds where the obligation to provide service now rests with the local authority. Services included are learning disability and continuing care.

Accommodation Costs

This includes utilities and rates costs of all properties occupied by services included in the scope of integration.

Non Cash Limited

This includes all payments to independent pharmacists, optometrists and general dental practitioners who key providers of primary community services.

Dental

The main areas within this heading are the NHS employed salaried and community dental services.

Public Health

The purpose of the Public Health Department is to improve the health and wellbeing of the Borders population and tackle the roots of ill health. Continuing collaboration with our community planning partners is essential to improve health and reduce inequalities in Borders.

Public Involvement

Involving patients, clients and carers in the provision of services can improve the quality and efficiency of those services.

Palliative Care

This will include relieving and preventing the suffering of patients through the provision of inpatient and community based services.

Medicine for the Elderly Inpatients

This covers the use of inpatient facilities within the BGH which undertake the diagnosis and treatment of illness in elderly people.

Patient Related Income

This is income NHS Borders receives for treating patient from other health areas. The main element of this income stream comes from Northumberland CCG.

Local Authority Proposed Extended Scope – For Illustrative Purposes

The recently published consultation document has made reference to a number of local authority services that should be included within the partnership. These services were not included within the initially agreed scope and there is a lack of clarity with regard to the

intentions behind the consultation document both with regard to the definition and scale of these services for example Housing and the level of discretion that will exist with regard to their inclusion in the integrated budget. Pending clarification of central government's intentions and a policy review to determine the desirability of including these services, either in whole or in part, within the partnership, no attempt has been made to quantify the budgets associated with the following local authority services:

Housing
Homelessness
Criminal Justice
Employability Support
Adult Support and Protection
Welfare

A further paper will be prepared when updated information is available setting out recommendations for the arrangements for these services in the shadow year and beyond. These recommendations may be either that these SBC services, or parts thereof, should be included or excluded from the partnership budget in the shadow year. The Partnership Strategic Plan should however take account of these services. As from April 2015 it is envisaged that national guidance will specify which services are to be included within the integrated budget.

Appendix 1- Headings in the Act

Appendix 1 contains details of the headings within the recent legislation which should be included in the integrated budget. Subject to local interpretation the finance subgroup has identified the services which would be covered by each of the headings detailed in the Act.

It is proposed that all of the services agreed as part of the initial and the extended scope in line the recent legislation are included in the integration budget. This would allow the Integration Board to build detailed knowledge and understanding of the services it will be accountable for after the shadow year. It would also enhance the preparation and thereby ensure the success of the integrated board from April 2015. The overall aim is to make the shadow year as realistic as possible to the live situation post April 2015, however there is an acceptance that due to the ongoing consultation linked to the legislation and actual experience in the shadow year there will be changes to the shadow budget going forward.

Appendix 2 - Integrated Shadow Budget

Appendix 2 contains the proposed shadow budget detailed for each service within the proposed budget. For comparison purposes the 12/13 outturn spend and 13/14 projected outturn for each of the services has been included. The extended scope has been included for illustrative purposes only. In the case of the extended scope only financial figures for NHS services have been provided. The value of the extended scope services in Scottish Borders Council are not included in this paper. If all of the budgets agreed in the original scope and the NHS proposed extended scope based on the financial information provided, the value of the integration budget for 2014 /15 will be £146m. If the shadow Board agrees the extended scope Scottish Borders Council services are to be included the level of proposed integrated budget would have to be amended to include the operational budgets for these services. The proposed budget for the Shadow Board has been compiled using

jointly agreed budget principles. Based on the initial agreed scope the shadow board is asked to agree the level of the integrated budget.

Appendix 3 - Budget Principles

It is intended that the budget will be constructed and managed based on a set of jointly agreed principles as set out in appendix 3.

The Shadow Board is asked to note the above budget principles which have been applied to enable calculation of the integrated budget.

Summary

The attached report and appendices provide a brief description of and therefore the rationale for the services to be included within the proposed integrated budget, for the initially agreed scope and the extended proposed scope, which takes into account the recent legislation. For the agreed initial scope this report details by service the proposed shadow budget for 2014/15 and for comparison purposes 12/13 outturn spend and 13/14 projected outturn. In the case of the extended scope only financial figures for NHS services have been provided. The value of the extended scope services in Scottish Borders Council are not included in this paper. If the Shadow Board agrees these are to be included the level of proposed integrated budget would have to be amended to include these services. It should be noted that the shadow budget during 2014/15 will be on an aligned basis.

Name	Designation	Name	Designation
David Robertson	CFO Scottish Borders Council & Chair – Financial Arrangements	Carol Gillie	Director of Finance NHS Borders & Vice Chair – Financial Arrangements