



MONITORING OF THE SHADOW INTEGRATED BUDGET 2014/15

Aim

To provide the Shadow Board with a report, by exception, of any significant pressures within the Partnership's Integrated Budget based on actual expenditure and income to 31 October 2014.

Background

The total Shadow Revised Integrated Budget stands currently at £133.38m.

Updated guidance on the services to be included in the integrated budget has now been received and this will be discussed at a development session in January. Any changes to the services included in the integrated budget as a result of this updated guidance will be included in the budget from April 2015.

It was agreed that in the shadow year the integrated budget should be on an aligned basis. Therefore any cost pressures remain the responsibility of the partner organisations during 2014/15.

Key Issues

The revenue monitoring position reported to the Board is based on the actual income and expenditure to the 31 October 2014. At this point the Partnership is projecting an outturn expenditure position of £133.78m, a projected overspend position of £400k on the revised budget for the year.

This projected pressure is principally within the GP Prescribing budget and is based on five months actual financial information and volumes to the end of September projected to the year end. The overspend trend has continued in the month and relates to both in month volume and ongoing price increases. Volatility in price continues to be an issue due to shortages of certain drugs. The Medicines Resource Group is working to address the underlying reasons for this change and where clinically appropriate propose alternative solutions.

There are a number of key areas within the integrated budget which continue to experience financial pressure. However this pressure is being managed through management teams taking a range of remedial actions and further plans are in place to continue to contain these pressures

The Board will be informed of any further pressures arising and any management action being taken to mitigate the pressure. The next full financial report will be presented to

the Shadow Board for the quarter ending December.

Recommendation

It is recommended that the Shadow Board:

Approves the above reported projected position of £400k pressure at 31st October 2014

Notes that Budget Holders/Managers will continue to work to deliver planned savings measures and bring forward actions to mitigate any projected overspends

Policy/Strategy Implications	In compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
Consultation	Members of the Integration Programme Board have been consulted on the report and the position reported to the Shadow Board. The report has also been reviewed by and approved by relevant Management Teams within both partner organisations.
Risk Assessment	A full risk assessment and risk monitoring process for the Integration Programme is being developed as part of the Integration Programme arrangements.
Compliance with requirements on Equality and Diversity	An equality impact assessment will be undertaken on the arrangements for Joint Integration when agreed.
Resource/Staffing Implications	It is anticipated that the Integration Shadow Board will oversee services which have a budget of over £130m, within the existing scope. The budget will change as other functions are brought within the scope of the Integration Shadow Board.

Approved by

Name	Designation	Name	Designation
David Robertson	Chief Financial Officer	Carol Gillie	Director of Finance

Author(s)

Name	Designation	Name	Designation
Paul McMenamin	Business Partner		