

MONITORING OF THE JOINT INTEGRATED BUDGET 2015/16

Aim

- 1.1 To provide the Integration Joint Board with a budgetary control statement on the Scottish Borders Health and Social Care Partnership's shadow revenue budget based on provisional outturn expenditure and income to 31st March 2016, with explanations of the major variances between projected outturn expenditure and income and the current approved budget.

Background

- 2.1 The total Shadow Revised Integrated Budget, at the 31st March 2016, is **£137.991m**.
- 2.2 The services contained within this report related to those prescribed functions for delegation within the Public Bodies (Joint Working)(Scotland) Act 2014 which form the basis of the budget delegated to the IJB on 1st April 2016 for 2016/17.
- 2.3 2015/16 has operated as a shadow year, with delegated budgets being managed on an aligned basis only. Accordingly, any cost pressures, for which remedial action has not been possible, remain the responsibility of the originating partner organisation.

Key Issues

- 3.1 At 31st March 2016, the shadow partnership's delegated budget is reporting an overall position of an adverse variance of **£923k**. This position is net of any additional permanent or temporary investment into budgets during the year. Where possible, remedial actions have been taken in order to mitigate the impact of the pressures experienced during the year.
- 3.2 Total projected spend on the shadow budget at the 31st March 2016 is **£138.914m**, against a budget of **£137.991m**. The partnership is therefore reporting an adverse variance of **£923k**. The main element of this overspend relates to GP Prescribing which was previously project to be **£1.1m** overspent at year end, with the actual out turn being an adverse variance of **£1.3m**. This overspend is partly offset by underspends across a number of areas such as dental and mental health services.
- 3.3 Relating to the overall provisional outturn position reported above, there are a number of areas where cost and demand factors are driving increased total spend above budget. These include:

Older People's Service

- 3.4 The level of both residential care beds and care at home hours commissioned externally during 2015/16 consistently exceeded the level of budget. This was further exacerbated by other exceptional factors including the transfer of homecare contracts to SB Cares, the Council's provider of last resort following the termination of two major care at home contracts by external providers, and new night support sleep-in wage costs as a result of employment legislation changes. These pressures were mitigated temporarily in-year by a range of actions including vacancy freeze, targeted locality team savings and the postponement in the establishment of the new dementia care team. In order to ensure the Older People's budget is affordable going forward, investment in the 2016/17 financial plan has been aimed at permanently addressing these and additional emerging pressures such as the increase in costs from the recent Older People care at home tender.

Generic Services

- 3.5 The highest area of risk and largest adverse variance across the delegated budget continues to be within GP Prescribing which reported an overspend of **£1.277m** due to the increased drugs prices due to the global short supply of certain drugs. This overspend has been partly offset by underspends across other generic services including Dental Services and Sexual Health. These underspends relate mainly to vacancies within dental and a small supplies underspend in sexual health. Similarly, the delivery of additional remedial savings targets across locality offices **£181k** and targeted management of staff turnover has contributed towards delivering savings to offset the social care pressures within Older People.
- 3.6 The joint Mental Health Service underspent by £187k mainly on staffing vacancies targeted in order to reduce the overall adverse position across the delegated budget in 2015/16.
- 3.7 2015/16 was a shadow year with budgets aligned only, any year-end overspends are the responsibility of the delegating organisation. NHS Borders will manage its element of any overspend having set aside a small contingency in its financial plan which will directly meet the outturn adverse variance of **£839k** on the delegated budget. Savings delivered across non-delegated services within Scottish Borders Council will be used to offset the provisional outturn adverse variance of **£84k**.
- 3.8 The Board will be informed should any further issues arise across either organisation relating to the 2015/16 audit process and consequential movement from the provisional position reported above.

Summary

- 4.1 At 31st March 2016, the Partnership's shadow delegated budget is reporting an overall position of an adverse variance of **£923k**. This position is net of considerable further pressures which have required permanent or temporary investment into key areas of budget during the year. Total projected spend against the shadow budget at the 31st March 2016 is **£138.914m**, which represents an increase in spend of **£429k** since the last reported position, attributable to a range of factors, including further adverse movement of **£177k** in the costs of GP Prescribing and a shortfall in the delivery of targeted financial plan savings/additional income of **£189k**, both within

Generic Services. NHS Borders has delivered a provisional outturn adverse variance of **£839k** on the shadow delegated budget whilst Scottish Borders Council is reporting a provisional outturn adverse variance of **£84k**. Both organisations will manage their respective variances through a combination of contingency and offset by savings made across non-delegated budgets.

- 4.2 The largest financial pressure experienced during the financial year related to GP Prescribing where a year-end adverse variance of **£1.277m** is forecast. A number of other pressures were experienced during the year particularly across Older People and Generic Services but planned and targeted temporary savings across other areas of the delegated budget has enabled the provisional position of £923k adverse variance to be reported.

Recommendation

The Health & Social Care Integration Joint Board is asked to **note** the above reported projected provisional outturn position of **£923k** net adverse variance within the shadow delegated budget at 31st March 2016.

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 IJB. 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	The IJB will oversee services which have a delegated budget of around £140m, within the existing scope. The budget may change as other functions are brought within the scope of the IJB Board.

Approved by

Name	Designation	Name	Designation
David Robertson	Chief Financial Officer		

Author(s)

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