

## **ALCOHOL AND DRUG PARTNERSHIP FUNDING 2016/17**

### **Aim**

- 1.1 To provide Integration Joint Board (IJB) members with an update on the likely funding position of the Alcohol and Drug Partnership (ADP) budget for 2016/17 and a recommended way forward to ensuring the ongoing affordability of services during the financial year.

### **Background**

- 2.1 Within the 2016/17 Scottish Borders Health and Social Care Partnership Financial Statement, it was highlighted that of the £6.902m of efficiency and further savings measures in 2016/17, £793k of proposals for their delivery remained unidentified at 30th March 2016. Of this, £471k relates to expected funding reductions through NHS ring-fenced grants from the Scottish Government.
- 2.2 The ring-fenced grant reduction of highest value relates to the funding of the ADP, a function which has been delegated to the IJB from 1<sup>st</sup> April 2016. This ring-fenced funding is managed by the ADP and hosted for administrative purposes by NHS Borders.
- 2.3 ADP chairs across Scotland have been advised of an estimated 20% reduction in the national allocation for ADPs in 2016/17, which if applied locally here in the Scottish Borders, would equate to a reduction of £271k in 2016/17. This reduction is against an overall ADP budget of £1.3m. Similar to some other areas of the IJB's budget, at the time of writing this report, this position remains indicative and no formal and final funding settlement has yet to be made.
- 2.4 The ADP is responsible for the planning and delivery of a range of functions, primarily through the commissioning of services/outcomes from three key partners providing individual support and treatment for alcohol and drugs:
  - *Action for Children*: provides support for children and young people impacted by their own or others alcohol and drug use and parents with alcohol and drugs problems.
  - *Addaction*: treatment and support service for alcohol and drugs users aged over 16; re-integration service to support wider recovery and injecting equipment provision.
  - *Borders Addiction Service (BAS)*: treatment (including prescribing and detoxification) service for alcohol and drugs users aged over 16 and the provision of a Substance Misuse Liaison Service in BGH.
- 2.5 Following a process of redesign, new service level agreements/contract arrangements were put in place with each of these providers at the beginning of financial year 2014/15, initially for 3-5 years. In addition to these services, the ADP funds a range of other projects and service provision including service planning, pharmacy and support to the Partnership overall.

### **2016/17 Funding Requirement and Proposed Way Forward**

- 3.1 Any substantial change to the funding envelope of the Partnership will have a considerable impact on any ability to sustain the current model and level of delivery. In April 2016, a report was made by the ADP to the Chief Executives of NHS Borders and Scottish Borders Council which outlined:
- The likely funding reduction to Alcohol and Drug ring-fenced grant funding.
  - Options for preserving the current level of spend by the Partnership or reducing it immediately or over time.
  - An overview of how the existing budget is utilised.
  - The impact and risks associated with any reduction to the current funding arrangements.
- 3.2 A copy of the April paper is attached to this report as [Appendix 1](#). On consideration by both partner organisations' Chief Executives, the preferred option (#3) was to implement an immediate funding reduction to non-support and treatment areas in 2016/17 whilst preserving the level of funding across all other areas of the Partnership's budget on a non-recurring basis. This will provide ongoing sustainability for the year until further work is undertaken to develop a new model of delivery, within the likely future resource constraints.
- 3.3 During 2016/17 therefore, a programme of further redesign and change will be required in order to ensure future service delivery is both affordable and resources are directed in a prioritised way. Additionally, identification of immediately realisable cost-savings where possible will be required, in order to reduce overall spend nearer estimated funding settlement levels.
- 3.4 Since indication of the likelihood of a 20% reduction in overall ADP funding was received, work has been ongoing to identify potential areas where immediate savings could be delivered through a reduction in discretionary or easier-to-exit areas of spend. The ADP has identified potential recurrent savings of £72k within [Appendix 1](#). Due to the delay in confirming budgets however and the requirement to give notice on contracts, £51k will be realisable within 2016/17. A reduction in, or cessation of, these services will still require robust planning and management and require liaison with a range of stakeholders, but are deliverable in the short-term.
- 3.5 Preserving the level of budget across other areas of the Partnership for 2016/17 will therefore require one-off transitional funding to be allocated to the Partnership in order to bridge the funding gap and sustain the current contracted services until a fully agreed plan and new commissioning arrangements are in place.
- 3.6 Transitional funding of the remaining deficit (£220k) will still be required on a non-recurring basis during 2016/17 in order to sustain remaining services, contracted or otherwise, for the remainder of the financial year. During this time, service redesign and a new, affordable and prioritised commissioning strategy will be developed in partnership with key stakeholders, including those providers above. It is proposed that this non-recurring funding be allocated from the remaining uncommitted social care funding available for 2016/17. This redesign will build on the previous work undertaken prior to April 2014, re-prioritising outcomes with reference to available resources and value for money.
- 3.7 From the 1st April 2017, the resultant outcome of a new ADP strategy and commissioning model leading to new provider contracts/service level agreements

will be in place and clear targeted investment into other priority service areas will be implemented. A report will be brought to the IJB during 2016/17 when work on developing the options for the new model, affordable within the likely financial context going forward, is complete.

## Summary

- 4.1 ADP chairs across Scotland have been advised of an estimated 20% reduction in the national allocation for ADPs in 2016/17. This would result in a reduction of £271k in ADP grant funding in 2016/17 although no formal grant settlement, at the time of writing, has yet been made. The ADP has identified potential recurrent savings of £72k which could be delivered but due to the delay in confirming budgets and the requirement to give notice on contracts, only £51k will be realisable during the remainder of 2016/17.
- 4.2 Transitional funding of the remaining deficit (£220k) will still be required on a non-recurrent basis during 2016/17 in order to sustain remaining services, contracted or otherwise, for the remainder of the financial year and the IJB is asked to approve the direction of £220k of 2016/17 social care funding on a non-recurring basis to the ADP.

## Recommendation

The Health & Social Care Integration Joint Board is asked to **approve** the direction of £220k of 2016/17 social care funding on a non-recurring basis to the Alcohol and Drug Partnership and to **note** the proposals for reducing spend in 2016/17 by 51k across non-supported and treatment areas of budget.

<b>Policy/Strategy Implications</b>	Supports the delivery of the Strategic Plan
<b>Consultation</b>	Discussions held with key strategic leads
<b>Risk Assessment</b>	To be reviewed in line with the agreed risk management strategy
<b>Compliance with requirements on Equality and Diversity</b>	Compliant
<b>Resource/Staffing Implications</b>	No resourcing implications

**Approved by**

<b>Name</b>	<b>Designation</b>	<b>Name</b>	<b>Designation</b>
Susan Manion	Chief Officer, Health & Social Care Integration	Carol Gillie	Director of Finance, Procurement, Estates & Facilities, NHS Borders
David Robertson	Chief Financial Officer, Scottish Borders Council		

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