

## **MONITORING OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET 2016/17 AT 31 AUGUST 2016**

### **Aim**

- 1.1 The aim of this report is to provide an overview of the monitoring position of the Health and Social Care Partnership Budget at 31 August 2016, together with detail over the range of pressures currently being experienced therein and proposed actions for mitigation. The report includes the monitoring position on both the budget supporting all functions delegated to the partnership (the “delegated budget”) and that relating to large-hospitals set aside for the population of the Scottish Borders (the “set-aside budget”).

### **Background**

- 2.1 On the 30<sup>th</sup> March 2016, the Integration Joint Board (IJB) agreed the delegation of **£139.150m** of resources supporting integrated health and social care functions for financial year 2016/17. At the same time, it noted the proposed budget of **£18.128m** relating to the large hospitals budget set-aside.
- 2.2 Since approving the partnership’s Financial Statement in March, the IJB has, within the delegated budget, directed a total of **£3.695m** of the social care funding allocation from the Scottish Government (full-year recurring impact of **£4.288m**). Of the **£5.267m** total allocation to the Scottish Borders partnership this financial year, this results in **£1.572m** remaining uncommitted for this year and **£0.979m** in future financial years, pending recommendations for further direction within a separate report to the IJB on 17 October 2016.
- 2.3 This report sets out the current monitoring position on both the delegated and set-aside budgets at 31 August 2016, identifying key areas of financial pressure. An overview of the delivery of efficiencies and other savings on which the budget is predicated is also outlined, identifying key risks. Following this mitigating actions are proposed to address these pressures, including recommendations for directing the remaining uncommitted social care funding across both the delegated and set-aside budgets.

### **Overview of Monitoring Position at 30 June 2016**

#### **Delegated Budget**

- 3.1 In order for the partnership’s financial plan for functions delegated to it to be affordable, **£7.373m** of efficiency and other savings require delivering during 2016/17. The challenge extended by this, in conjunction with a series of demand, price and legislative pressures which have emerged during the financial year to date, has resulted in the reporting of a projected adverse position at the 31<sup>st</sup> March, which is both considerable and requires immediate addressing.
- 3.2 At 31 August 2016, the delegated budget is reporting a projected outturn of **£144.565m** against a current budget of **£139.150m** resulting in a projected adverse variance of **£5.415m** in total. This adverse variance relates to projected pressures

of **£5.032m** across healthcare functions and **£0.383m** across social care functions and can be detailed as follows:

### **Joint Learning Disability Service**

#### *£0.075m Night Support Sleep-Ins*

- 3.3 The largest area of projected pressure within the Joint Learning Disability Service relates to the requirement to implement the working time directive / single living wage for all care staff from 1 October 2016. Scottish Government has now confirmed that councils should continue to pay sleepover hours at a rate that is compliant with HMRC requirements. No change is now anticipated to sleepover rates from 1 October. This remains a transitional position and Scottish Government's ambition remains that Councils will move to a position where all hours, including sleepover hours, are paid at the rate of the real Living Wage. Government recognise however that it may take time for partnerships and providers to adjust to this, including through service redesign, where appropriate. As such this is an issue that will be subject to further consideration for 2017-18.
- 3.4 The cost of a sleep-in is currently on average £36. The introduction of the real living will see this cost increase to £153, an increase of 425%. Without action, it is estimated that over a full year, this will cost an additional £1.5m per annum.
- 3.5 The impact of this pressure will clearly requires to be mitigated through a combination of reducing the number of night-time supports and a redesign of the service in order to improve both efficiency and effectiveness, a process which whilst deliverable, is also complex and will involve a range of undertakings such as service user reassessment and agreeing new support plans. In order to contain the ongoing impact of this anticipated legislative change to £750k and not the projected cost of £1.500m by doing nothing, a project over the remainder of the financial year will aim to develop and implement a new redesigned service. This project is estimated to cost £75k but is targeted at realising £750k of recurring savings.
- 3.6 Other pressure across the Joint Learning Disability Service, in particular due to demand for homecare, has been mostly offset by a range of savings, within Community Based Services.

### **Joint Mental Health Service**

#### *£0.332m Staffing*

- 3.7 £300k of projected pressure is reported within the Mental Health Team due to the use of agency medical locums to cover consultant vacancies. . Additionally, a further £30k is projected in respect of the part-year unbudgeted cost of a Community Mental Health Worker.

## Older People Service

### *£0.034 Net*

- 3.8 Demand for residential care beds continues to exceed the level supported by available budget resulting in projected pressure of £511k. This has been largely offset by the maintenance of a lower than budgeted level of homecare provision a reduction in projected respite costs and planned staffing savings within the Older People staff team.

## Physical Disability Service

### *£0.048 Net*

- 3.9 The previously reported pressure arising from a small number of additional complex and high tariff care packages this year has now been part-mitigated by a reduction in the demand for residential care.

## Generic Services

### *£1.800m GP Prescribing*

- 3.10 The highest single area of risk and largest adverse service variance across the delegated budget continues to be within GP Prescribing which is reporting a projected overspend of **£1.800m** attributable to the increased prices of key drugs arising from the global short supply of certain drugs. NHS Borders increased the GP prescribing budget by £1.4m in 2016/17. This provided for increased demand for drugs which has materialised as expected. However although some resource was put aside for price increase actual costs to date are significantly higher linked to nationally agreed tariffs for drugs which are in short supply. NHS Borders pharmacy staff in conjunction with GPs have proactively reviewed the drugs effected by price increases and made changes where clinically appropriate to minimise the impact on the GP prescribing budget. Many other partnerships across Scotland have experienced the same issues.

### *£2.406m Delivery of Efficiencies*

- 3.11 Risk to the affordability of the delegated budget and overall sufficiency of resources has been a key focus of reports to the IJB in 2016/17, both at the time of approving the financial statement on 30 March 2016 and in subsequent monitoring reports since. In order to be affordable, delivery in full of all planned efficiencies is required. Within Generic Services, a number of targeted efficiencies which are not currently projected to be delivered this financial year within the healthcare budget have been centralised. A separate report to the IJB on the delivery of efficiencies will be reported providing fuller detail, but overall, inability to deliver the targeted savings actions in 2016/17 will result in a projected pressure of £2.406m this financial year.

### *£0.663m Other (Net)*

- 3.12 A number of other pressures across Generic Services have emerged during 2016/17. These include staffing pressures within Allied Health Professional Services due to the use of agency locums to improve waiting times (£254k), the continued requirement for flex beds to support patient flow as a result of delayed discharges which is reported under the Primary and Community Services Management (£300k) and the requirement for further spend on equipment for the Borders Ability Equipment Store (£150k). An element of these and other pressures have been part-

mitigated by underspends within Community Nursing (£150k) due to short term vacancies.

### Set-Aside Budget

- 3.13 As reported to the IJB in August, NHS Borders is currently experiencing the impact of a range of pressures across the large-hospitals budget set-aside for the population of the Scottish Borders. The key issue continues to be activity levels and the impact of discharged discharge on patient flow. This is manifested in the continued requirement for Surge Beds (£1.200m) normally only open in the winter months and additional medical staff in Acute Admissions Unit and Emergency Department. Due national and local workforce challenges NHS Borders is using high cost agency medical and nursing staff to cover gaps in rotas in order to maintain safe services.

### Recovery Planning

- 4.1 IJB members, as part of the process of planning to mitigate the financial impact of the pressures reported in section 3 above, are asked to consider recommendations for direction of further social care funding across targeted areas of the delegated and set-aside partnership budget.
- 4.2 In addition to the direction of all remaining social care funding, given the scale of the adverse projected position reported in section 3, further actions to mitigate the impact of the underlying pressures are now required during the second part of the financial year.
- 4.3 In relation to Social Care, if following consideration of the social care funding report, IJB members agree to the direction of further funding towards meeting the costs of the living wage and Ability Store equipment budget pressures, the residual pressure of **£133k** will be met through the identification of additional savings measures over the remainder of 2016/17.
- 4.4 Within Healthcare, the high level of adverse financial pressure across all budgets is of a level incomparable with historic financial years due to a range of significant factors. In order to mitigate them, NHS Borders is currently implementing a Board-wide recovery plan that will seek to reduce profiled spend across all areas of the organisation including those supported by the budget delegated to the Health and Social Care Partnership, the large hospital budget retained by NHS Borders and set-aside and those supporting the wider non-delegated health board functions. It is expected that this plan will be considered and updated by NHS Borders' Board later this month and in due course will be reported to the IJB.
- 4.5 The key areas of action by NHS Borders in order to contain and mitigate the pressures reported (across all of its operations and not just those functions delegated to the IJB) can be summarised as follows:
- Increased Financial Scrutiny*
- 4.6 The level of financial scrutiny in overspending areas of operational budgets has increased. Some examples of these are detailed below :

- New rostering systems and processes have been put in place for nursing in the BGH
- A detailed review of areas of high levels of sickness to ensure full adherence to policy and put in place support for staff to promote attendance at work (and reduce the cost of back cover)
- Ongoing work on the process for recruiting and utilising bank staff
- Stop agency nursing staff other than those required for patient safety
- Appointment of four Clinical Development Fellows, which are out-with our current funding establishment levels, from 3rd August 2016 who will partially support service delivery and avoid the use of locums to cover junior doctor rotation gaps
- In some specialities, processes have been put in place to allow closer working with NHS Lothian to support medical pressures
- On a case by case basis, consideration is being given to the service impact of not using agency locums to cover senior medical gaps

*Identification of Further Savings Potential*

- 4.7 NHS Borders is currently reviewing all resource allocations in order to identify areas of potential saving against allocation total and redirect towards the overall financial position.
- 4.8 A number of financial control measures in areas of discretionary spend such as training, travel, etc. are currently being implemented in order to reduce projected costs in these areas during the remainder of the financial year. Further projected cost reductions are anticipated from the deferral of appointment across a number of non-essential vacant posts within the health board.
- 4.9 In line with work that is being taken forward nationally the Board is also examining the possibility of a number of technical accounting adjustments which will release resource in 2016/17.
- 4.10 Focus is also once again being placed on the acceleration of new and existing efficiency projects in order to release further resources this financial year.
- 4.11 Clearly this is not an insubstantial challenge. The plan and progress against it will be reported to the IJB on an ongoing basis. The Health and Social Care Partnership does not have direct access to sufficient resource in itself to direct funding to NHS Borders to help address the pressures reported, other than what is included within separate papers on the use of the Integrated Care Fund and social care funding. What is also required therefore, is further specific direction across delegated functions by the Partnership, with the intention of realising additional savings that can be vired to offset those areas of pressure.

*Summary*

- 4.12 Pressure across both delegated and set-aside budgets is clearly substantial. A combination of direction of additional funding and the implementation of a recovery plan is now required in order to mitigate such pressure. The requirement to deliver this latter plan, from an IJB perspective, requires to now be formalised through the issuing of a subsequent direction to NHS Borders, requiring the health board to, take appropriate remedial action in order to deliver an affordable outturn position at 31 March 2016.

## Recommendation

The Health & Social Care Integration Joint Board is asked to **note** the report and the monitoring position on the partnership's 2016/17 revenue budget.

The Health & Social Care Integration Joint Board is asked to **note** the planned high-level actions of recovery currently being developed and implemented by NHS Borders.

The Health & Social Care Integration Joint Board is asked to **approve** the issue of a subsequent direction to NHS Borders requiring appropriate remedial action in order to deliver an affordable outturn position across the delegated budget at 31 March 2017.

The Health & Social Care Integration Joint Board is asked to **consider** how it may further support NHS Borders in planning and delivering actions to mitigate the pressures across its delegated, set-aside and wider health board budgets through the use of directions proposing disinvestment opportunities.

<b>Policy/Strategy Implications</b>	Supports the delivery of the Strategic Plan and is in compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
<b>Consultation</b>	The report has been considered by the Executive Management team and approved by NHS Borders' Director of Finance and Scottish Borders Council's Chief Financial Officer in terms of factual accuracy. Both partner organisations have contributed to its development and will work closely with IJB officers in delivering its outcomes.
<b>Risk Assessment</b>	To be reviewed in line with agreed risk management strategy. The key risks outlined in the report form part of the draft financial risk register for the partnership.
<b>Compliance with requirements on Equality and Diversity</b>	There are no equalities impacts arising from the report.
<b>Resource/Staffing Implications</b>	No resourcing implications beyond the financial resources identified within the report.

### Approved by

Name	Designation	Name	Designation
Susan Manion	Chief Officer Health & Social Care Integration		

### Author(s)

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