



MONITORING OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET 2016/17 AT 31 OCTOBER 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 October 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 30th 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 This report sets out the current monitoring position on both the delegated and set-aside budgets at 31 October 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 forming a recovery plan, in addition to a recommendation for directing further non-recurring social care funding.

Overview of Monitoring Position at 30 June 2016

Delegated Budget

- 3.1 At 31 October 2016, the delegated budget is reporting a projected outturn of **£144.760m** against a current budget of **£139.150m** resulting in a projected adverse variance of **£5.610m** in total.
- 3.2 The projected financial position reports a considerable variance across the healthcare functions delegated to the Integration Joint Board, part of wider financial pressures that NHS Borders is currently projecting across its budget. For those functions delegated to the IJB, £5.232m of pressure is now being reported.
- 3.3 NHS Borders has developed and implemented a recovery plan in order to mitigate over £14.0m of projected financial pressure across the organisation including the £5.232m projected within the delegated budget. The delivery of this recovery plan clearly carries a significant degree of risk and accompanying this report is a

presentation on progress made to date in developing and implementing the recovery plan. Risks inherent relate in particular to the the scale of the financial savings requiring delivery, the winter timeframe over which these actions are required to continue to effect savings and the requirement to identify further actions in order to ensure that the projected variance is mitigated in full - the current recovery plan remains unbalanced by around £1.8m across NHS Borders. More strategically, the non-recurring nature of a significant proportion of targeted savings compounds this risk further.

- 3.4 Social care functions are currently projecting an adverse variance of £378k. It is intended that this variance will be addressed by a combination of direction of further social care funding to the Borders Ability and Equipment Service (£145k) and further management actions to reduce projected spend during the remainder of the financial year.

Older People Service

£0.376m Net

- 3.5 Residential care bed numbers continue to exceed the level for which there is sufficient budget although total numbers have decreased by 15 beds net since the last reported position, reducing the level of projected pressure overall.

Generic Services

£2.000m GP Prescribing

- 3.6 The highest single area of risk and largest adverse service variance across the delegated budget continues to be within GP Prescribing where the function is reporting an overspend of £1.027m at the end of October and a projected overspend of **£2.000m** to the year end. The current projection is based on five months' price and six months' volume information and is primarily attributable to the increased prices arising from the global short supply of certain drugs which has been particularly volatile in recent months. This financial pressure is despite considerable work to manage delivery of efficiencies and remains a significant risk going forward.

£2.406m Delivery of Efficiencies

- 3.7 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 on a recurring and sustainable basis. Within Generic Services, a number of targeted efficiencies are not currently projected to be delivered this financial year within the healthcare budget. Further detail is provided in section 4.

£0.658 m Other (Net)

- 3.8 A number of other pressures across Generic Services have emerged during 2016/17. These include staffing pressures within Allied Health Professional Services (£254k) and Primary & Community Management, including the use of flex beds, (£317k) and the further requirement to purchase more equipment for the Borders Ability Equipment Store (£145k). Pressure is also projected within Community Hospitals (£200k) due to the cost of agency nurses required currently. An element

of these pressures and other less significant pressures across this service area have been part-mitigated by savings within Community Nursing (£150k).

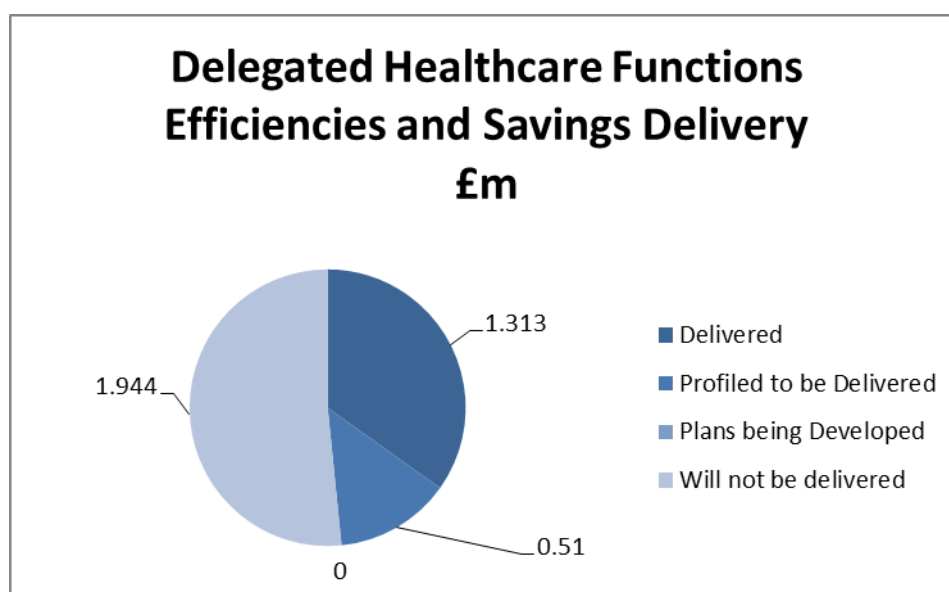
Set-Aside Budget

- 3.9 As previously reported in August and October, 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. These pressures continue and relate to a range of factors including the costs of continued provision of Surge Beds (£1.200m), Patient Flow (£900k), Acute Admissions Unit and Emergency Department staffing (£500k) and the non-delivery of planned efficiencies similar to the challenge over those supporting the delegated budget.

Delegated Budget Efficiency and Savings Delivery

Healthcare – Delegated Budget

- 4.1 Within the budget delegated to the partnership, NHS Borders needs to deliver £4.239m of efficiency savings. £3.767m of the savings was targeted within savings plans with an unidentified element of £472k. Overall, £3.3m of this total (77%) is required on a recurring basis. Progress against these targets at 31 October is summarised below:



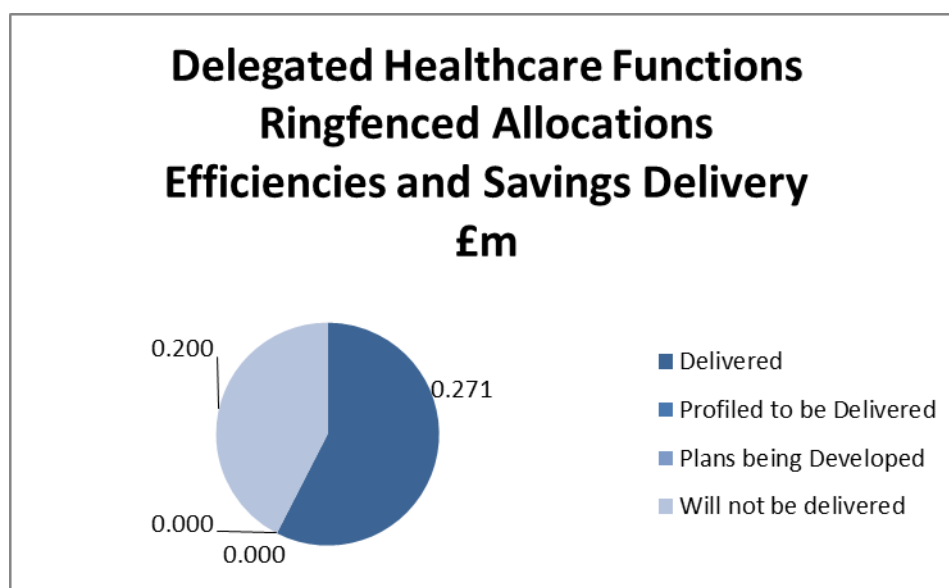
- 4.2 At 31 October 2016, £1.313m has been delivered. Within this, £1.033m is recurring and £0.280m is non-recurring.
- 4.3 Of the remaining £2.454m gap, £0.510m is profiled for delivery over the remainder of the year:

	£'000
Step up/down	410
Service Management	100
	510

- 4.4 Of the £3.767m, total efficiency savings therefore of £1.823m have been or are projected to be delivered. With no further plans in place at the current time, clearly risk of non-delivery of a significant element of NHS Borders efficiency programme is high and a range of alternative measures are now being developed as part of the NHS Borders recovery plan. Notably however, permanent recurring solutions will require development and implementation beyond the in-year actions in order to ensure future years' financial plans are deliverable. This will include an assessment of those schemes which have failed to deliver in the current year, and an evaluation of their likely delivery in the future

Health Care – Devolved Budget Efficiencies (Ringfenced Funding)

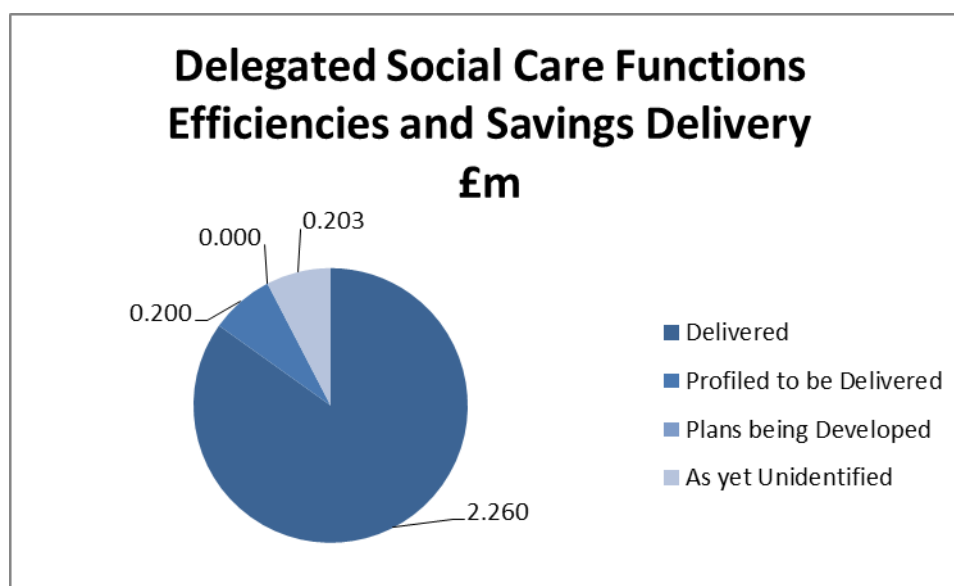
- 4.5 Within the budget delegated to the partnership by NHS Borders, a further gap of £0.471m was delegated in respect of reductions in ringfenced grant funding through NHS Borders by the Scottish Government. At the IJB meeting of 20 June, the partnership approved direction of £220k of social care funding to mitigate the forecast reduction allocated to the Alcohol and Drug Partnership (ADP), with a further plan for efficiencies of £51k having been delivered by the partnership. This arrangement is non-recurring and only applies in 2016/17. The ADP is continuing to work on how this reduction can be managed recurrently. .



- 4.6 Beyond the ADP reduction, plans are being developed in partnership between NHS Borders and the IJB Chief Officer to address the remaining savings gap of £0.200m. A summary therefore of the 2016/17 ringfenced grant savings / funding delivery is detailed below:

Social Care – Devolved Budget Efficiencies

- 4.7 Within the budget delegated to the partnership, Scottish Borders Council requires to deliver £2.663m of efficiency savings all of which are on a recurring basis. At the end of October, £2.260m of savings have been delivered, with a further £0.200m profiled to be delivered during the remainder of 2016/17. The balance of undelivered planned savings will be met by the delivery of remedial savings identified during the financial year which will be delivered over the remaining 5 months of the financial year.



- 4.8 In addition to the £2.663m of savings planned within the 2016/17 delegated budget above, a further £378k of recurring savings targets carried forward from 2015/16 require to be delivered permanently also from this year. (*Please note: this is a different “£378k” from the figure projected as the current adverse social care position per appendix and relates to historic savings targets unmet*). Plans are now in place for their delivery which is now projected in full during the remainder of the year.

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 at 31st October 2016.

The Health & Social Care Integration Joint Board is asked to **note** NHS Borders recovery plan presented alongside this report

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 2016

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 in order that the recovery plan implemented is fully balanced

Policy/Strategy Implications	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.
Consultation	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.
Risk Assessment	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.
Compliance with requirements on Equality and Diversity	There are no equalities impacts arising from the report.
Resource/Staffing Implications	No resourcing implications beyond the financial resources identified within the report.

Approved by

Name	Designation	Name	Designation
Elaine Torrance	Chief Officer		

Author(s)

Name	Designation	Name	Designation
Paul McMenamin	IJB Chief Financial Officer		