



## **FURTHER DIRECTION OF SOCIAL CARE FUNDING – BORDERS ABILITY AND EQUIPMENT SERVICE**

### **Aim**

- 1.1 The aim of this report is to seek agreement by the Integration Joint Board (IJB) of a proposal to direct further social care funding to meet ongoing projected financial pressure within the partnership's joint Borders Ability and Equipment Service budget, on a one-off, non-recurring basis.

### **Background**

- 2.1 The Borders Ability and Equipment Service (BAES / “the store”) is a joint service which is included within those functions that have been delegated to the partnership. The annual recurring budget for the operation of the store is £767k, which is funded by £251k by NHS Borders and £516k by Scottish Borders Council. Within this, the budget for the equipment itself is just over £300k, with the remainder (£467k) meeting staffing costs, premises expenses, transport and other operational costs such as equipment sterilisation.
- 2.2 Historically, the equipment budget has been insufficient to meet demand and during each financial year, further resources have been required to increase it from other service areas. This has been the case also this financial year and the IJB has already agreed the direction of a further £150k of social care funding at its meeting of 17 October.
- 2.3 Average monthly equipment purchases totalling almost £50k per month has continued since the additional funding was directed. The base budget therefore was largely consumed during the first 6 months of the year and at the current projected expenditure profile, the additional funding directed is projected to be fully utilised shortly. As a result therefore, IJB members are asked to consider further additional funding in order to sustain the activity of the store until a number of actions are undertaken and implemented during the remainder of the financial year aimed at reducing this expenditure profile.

### **Store Operation**

- 3.1 The base budget for equipment in the store is £301k. This has been temporarily increased to £451k this year by the non-recurring direction of £150k social care funding. A profile of the levels of actual and committed expenditure against this budget is detailed below:

	2016						
	Apr £	May £	Jun £	Jul £	Aug £	Sep £	
Actual expenditure	15,181	78,278	40,037	30,097	87,893	57,142	
Commitments (orders placed)							
Total actual and committed expenditure	15,181	78,278	40,037	30,097	87,893	57,142	
	2016			2017			Total £
	Oct £	Nov £	Dec £	Jan £	Feb £	Mar £	
Actual expenditure	32,041	23,500					364,169
Commitments (orders placed)		33,762	11,491	11,491	11,490	11,490	79,724
Total actual and committed expenditure	32,041	57,262	11,491	11,491	11,490	11,490	443,893
Total budget allocation							451,356
Remaining uncommitted budget as at 30/11/2016							7,463
Average spend per month Apr to Nov							49,741
Estimated annual spend to March 2017							596,897
Estimated additional budget allocation required to end Mar							145,541

- 3.2 In 2015/16, the equipment budget required £233k of additional resource to be made available in-year. An increase of £295k in-year as required for 2016/17 represents further increased financial pressure on this budget.
- 3.3 The stock ordering system used to order BAES equipment is ELMS. Currently, there are over 400 users set up within ELMS who have access and ability to make orders. These users come from a variety of professional and organisational backgrounds including district nurses, occupational therapists, physiotherapists, community care assessors, para-professionals and social workers.
- 3.4 During 2015/16, 13,819 items were ordered by BAES. This, and prior year trends, can be summarised as:

Year	No. of Orders		Total Value		Total	
	NHSB	SBC	NHSB	SBC	Orders	£
			£	£		
2012/13	10,428	5,091	920,719	491,568	15,519	1,412,287
2013/14	10,362	4,279	851,716	515,434	14,641	1,367,150
2014/15	9,445	4,418	667,009	461,452	13,863	1,128,461
2015/16	9,736	4,083	605,140	449,920	13,819	1,055,060

- 3.5 As can be seen from above, the proportionate split in terms of orders made is consistently around 2:1 NHSB/SBC. In cost terms, there is a closer correlation towards a 50/50 position, although still weighted towards NHS Borders issues costing more in total. In general, there are a lower number of orders made on behalf of social care staff, at a higher average cost per item. NHS staff tend to generally order more standard items of equipment, particularly in relation to enable patients to be discharged from hospital, whereas social care staff will order items, some requiring adaptation which may be of a higher value, e.g. to enable a client to return to or remain at home. The average cost of an NHS-ordered item has fallen from £88

in 12/13 to £62 in 15/16 whilst the average cost of an SBC-ordered item has risen from £97 to £110 over the same period.

- 3.6 It is also worth noting that the above relates to all equipment including recycled equipment and not just new equipment, hence the significantly higher order numbers compared to the level that the budget can afford for new purchases.
- 3.7 At the present time, around 45,000 items of equipment are on issue from BAES across the Scottish Borders. These items of equipment have been acquired over many years at a total cost of £3.6m and are provided to over 12,000 clients. 80% of the volume of these items are “core” (generally lower value, commonly used items which don’t require specific adaptation such as crutches, Zimmer frames and commodes) whilst 20% are “non-core. In terms of value however, the cost split is nearer 50/50 between core and non-core items due to the general specialist nature and higher average cost of the latter type of item which includes things like specialist ceiling-mounted hoists, stair-lifts, specialist chairs and paediatric equipment.
- 3.8 Non-core stock may not always be held in store. There may be a lead time in receiving non-core items and making them ready for use in a particular setting. The key distinction is that BAES will always maintain available stock for core items. This will not always be the case for non-core items.
- 3.9 In addition to the main BAES store, there are 18 satellite stores situated mainly within NHS Borders’ facilities. Satellite stores tend to hold small volumes of low-value equipment totalling £300-£500 per store, although there are 5 larger stores which hold equipment of around £2-3k in value. Anecdotal concern has regularly been raised with regard to stock control and issue across satellite stores. Given the relatively low value of stock held within them however, whilst any control weaknesses will still require improvement, this does not appear to be a key driver of the ongoing financial pressure experienced within the equipment budget.

### **Areas for Consideration Going Forward**

- 4.1 The service provided by the Borders Ability and Equipment Store is a fundamental enabler to the Health and Social Care Partnership’s Strategic Plan. Many people live in the Scottish Borders with one or more long-term conditions or with disability or sensory impairment. Flexible support to these people in order that they maintain and improve their quality of life through supporting their independence and their ability to live at home can only be achieved through the provision of an effective and affordable ability and equipment store. Providing the right equipment, at the right time to clients who need it has a direct impact on reducing avoidable admissions to hospital and supports prevention and early intervention where people are struggling to manage independently.
- 4.2 With this focus therefore, coupled to a growing ageing population, demand for the BAES will continue to increase which puts further financial pressure on limited resources, exacerbated by ongoing constraint over public-sector funding. Against this increasing demand and cost backdrop therefore, it is vital that the cost-effectiveness of the store is maximised, that it is adequately resourced and that its service provision becomes more affordable and that its ongoing operation is

sustainable, if the partnership is to achieve the aims it has expressed within its Strategic Plan.

- 4.3 Review of the service is clearly required however in order to improve its overall affordability, financial management budgetary control and cost-effectiveness. Beyond this however, it is also clear that the equipment budget is insufficient to meet current levels of demand, demand which is likely to increase further in the future. Until the outcomes of the review are known however, it is not proposed to recommend direction of funding any permanent increase in the equipment budget.
- 4.4 At present, an officer working group is reviewing some immediate areas concerning the store's operation including levels of authorisation and how equipment is currently issued and its recording. NHS National Shared Services has been commissioned by this group to undertake a wider review of the operation of the store and a report is expected in January 2017. Key areas of focus of the review which have been agreed include:
- Recycling equipment – evaluation against best practice
  - Financial control best practice and models from other areas
  - Stock control
  - Systems and processes
  - Authorisation
  - Managing demand in the Scottish Borders whilst meeting expectation
  - Provision of high cost equipment and therapeutic benefit
- 4.5 On completion, the review findings will form part of a wider report to the IJB in early 2017 in order that a new, more affordable model of delivery underpinned by more effective and efficient processes and controls is implemented before the start of the new financial year.
- 4.6 This report will build on the work currently being undertaken and will include other considerations. Some of these are specific in their detail such as the outcome from an equipment amnesty or the cost-effectiveness of renting beds as opposed to outright purchase or more general in nature such as the impact of the newly implemented protocol for the issue of non-core stock equipment from the store. How remaining funding options such as Integrated Care Fund can be utilised on a spend-to-save basis to enable greater cost-effective service delivery will also be a key consideration.

## **Social Care Funding**

- 5.1 To date, the IJB has directed £4.445m of the partnership's 2016/17 social care funding allocation (£5.267m). On a permanently recurring basis, £5.088m has been committed. How the partnership has directed funding to date is summarised below:

	Delegated Budget		Set-Aside Budget		Total	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
<b>20-Jun-16</b>						
Living Wage	813	1,626			813	1,626
Demand Pressure	1,081	1,081			1,081	1,081
Charging Threshold	154	154			154	154
Unplanned Efficiencies	220	0			220	0
	<b>2,268</b>	<b>2,861</b>	<b>0</b>	<b>0</b>	<b>2,268</b>	<b>2,861</b>
<b>30-Aug-16</b>						
Provider Costs	1,127	1,127			1,127	1,127
Demand Pressure	300	300			300	300
	<b>1,427</b>	<b>1,427</b>	<b>0</b>	<b>0</b>	<b>1,427</b>	<b>1,427</b>
<b>17-Oct-16</b>						
Surge Beds	0	0	500	0	500	0
Night Support Sleep-ins	0	750			0	750
Night Support Redesign	75	0			75	0
BAES Equipment	150	0			150	0
Community MH Worker	25	50			25	50
	<b>250</b>	<b>800</b>	<b>500</b>	<b>0</b>	<b>750</b>	<b>800</b>
<b>Total Directed to Date</b>	<b>3,945</b>	<b>5,088</b>	<b>500</b>	<b>0</b>	<b>4,445</b>	<b>5,088</b>
<b>2016/17 Allocation</b>					<b>5,267</b>	<b>5,267</b>
<b>Remaining Resources</b>					<b>822</b>	<b>179</b>

- 5.2 If the IJB approve direction of a further **£145k** of social care funding towards the BAES equipment budget, then this will leave **£677k** of funding uncommitted this year, of which £179k is available on a recurring basis:

<b>2016/17 Allocation</b>	<b>5,267</b>	<b>5,267</b>
<b>Remaining Resources</b>	<b>677</b>	<b>179</b>

- 5.3 It is anticipated that further implications of the implementation of the living wage from 1<sup>st</sup> October 2016 and the uncertain outcome of the work currently being undertaken in respect of re-provisioning the night support sleep-in service will fully utilise this remaining uncommitted funding going forward.

### Recommendation

The Health & Social Care Integration Joint Board is asked to **note** the report and **approve** the direction of a further £145k non-recurring allocation of social care funding to the BAES equipment budget for utilisation during the remainder of 2016/17.

<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**

<b>Name</b>	<b>Designation</b>	<b>Name</b>	<b>Designation</b>
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