



MONITORING OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET 2016/17 AT 31 JANUARY 2017

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 January 2017. This includes an update on the range of pressures being experienced within Health and Social Care and implemented actions for mitigation.

Background

- 2.1 The report relates to 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”).
- 2.2 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. The delegated budget has subsequently been increased in respect of delegation of Community Dental Services and other relevant budget adjustments, equating to £4.581m budget now included within the report.
- 2.3 This report sets out the current monitoring position on both the delegated and set-aside budgets at 31 January 2017, identifying key areas of financial pressure. Mitigating actions are in place to address these pressures and in aggregate, form a recovery plan for the partnership. A small projected adverse pressure, within Social Care functions, currently remains unaddressed.

Overview of Monitoring Position at 31 January 2017

Delegated Budget

- 3.1 At 31 January 2017, the delegated budget is now reporting a projected outturn of **£143.786m** against a current budget of **£143.720m** resulting in a projected adverse variance of **£0.066m** in total. This accounts for the projected impact of the healthcare functions recovery plan which has been implemented. This is a significant achievement in the contexts of both substantial financial pressure and limited flexibility which should be commended, although the IJB require to be aware that due to the non-recurring nature of many aspects of recovery this year, addressing future years’ recurring impacts will require significant planning and management in order to implement permanently recurring and sustainable measures.

- 3.2 Reports to the IJB this financial year have previously reported a projected adverse variance across a range of healthcare and social care functions delegated to the Integration Joint Board. For healthcare functions, these totalled over £4.8m, whilst there has been a regular variance of £200k-£300k across social care functions reported to each meeting. By way of mitigation, NHS Borders implemented the following recovery plan across the functions delegated to the IJB, including the direction of £677k social care funding by the IJB in February.

	IJB
	£k
Slippage on Capital Programme	(796)
NHS Control Measures	(1,147)
Slippage on LDP/Reserves	(1,073)
Release Ring Fenced Allocations	(365)
IJB Agreed Surge SCF	
IJB Agreed Non-Recurring SCF	(677)
Balance Sheet Flexibility	<u>(773)</u>
	<u>(4,831)</u>

- 3.3 This has considerably reduced this position to that reported herein and the partnership's Executive Management Team continue to work to deliver the healthcare recovery plan and to seek opportunity for further efficiency, particularly across areas such as patient flow and unscheduled hospital stay.
- 3.4 Whilst many actions have been or are being delivered currently, the implementation of this recovery plan by NHS Borders continues to carry a degree of risk. Other pressures may emerge during the remainder of the year and specifically in relation to Prescribing, the highest risk delegated function financially, as per normal processing timescales there is a two month delay in the availability of information. Additionally, the highest element of risk to partnership finances over the medium-term continues to relate to the non-recurring nature of a significant proportion of targeted savings within the recovery plan upon which the majority of the recovery is predicated.
- 3.5 Social care functions are currently projecting an adverse variance of £66k which requires further mitigating action. This is an improving picture from previous reports however and is the result of a small reduction in the volume of residential care beds commissioned, turnover within care at home, a seasonal effect of December and early January and other management savings actions.
- 3.6 The position regarding the projected delivery of planned efficiencies across healthcare and social care functions delegated to the IJB remains largely unchanged from that reported to the IJB at its meeting in February 2017 with additional but largely non-recurring alternative mitigation actions having been put in place.

Large Hospital Budget Set-Aside

- 3.7 As previously reported during 2016/17, 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 have increased since the last report attributable to nurse agency spend across wards, surge capacity costs into elective areas of the hospital and ongoing unprecedented medical locum costs. Supplies and equipment costs have also shown an increase linked to activity increases.

- 3.8 **£4.528m** of the overall NHS Borders recovery plan actions are now targeted at mitigating the projected adverse pressure on the set-aside budget. If successfully delivered, the NHS Borders recovery plan will deliver a board-wide breakeven position at the end of the financial year.

Risk

- 4.1 A number of risks have previously been reported to the IJB. These have included the extent of recovery required, the lack of full balance before the current reported position and the assumption of price/demand stability between now and the end of the financial year. The most significant risk however which arises as a result of the mitigating actions in place relates to the medium-term and the significant level of non-recurring efficiency and savings actions on which the partnership's budget remains predicated. Whilst EMT are working to develop and implement a large-scale strategic transformation programme for the medium-term this will require to be targeted at not only addressing permanently the recurring impact of pressures met in 2016/17 temporarily, but also in enabling the partnership to fund the forecast 2017/18 financial planning pressures not yet addressed which in combination is a substantial challenge that may require other non-recurring actions be implemented meantime to enable the overall transition to affordability.
- 4.2 Any adverse variance at the end of the financial year will, as per the partnership's Integration Scheme, be met from managed underspends elsewhere across partner organisations. In respect of the projected position detailed within this report, the residual pressure across social care functions (£66k) if unaddressed by the 31st March, will be met by Scottish Borders Council.

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 January 2017.

The Health & Social Care Integration Joint Board is asked to **support** management teams within both organisations as they continue to make every effort to ensure the IJB returns a balanced position for 2016/17.

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)

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