

Scottish Borders Health & Social Care
Integration Joint Board



Meeting Date: 12th February 2018

Report By	Robert McCulloch-Graham, Chief Officer
Contact	Carol Gillie, Director of Finance David Robertson, Chief Financial Officer
Telephone:	01896 825501 01835 824000

**MONITORING OF THE HEALTH AND SOCIAL CARE PARTNERSHIP BUDGET
2017/18 AT 31 DECEMBER 2017**

Purpose of Report:	To provide an overview of the monitoring position of the Health and Social Care Partnership Budget at 31 December 2017 and an update on the partnerships' resources.
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Recommendations:	<p>The Health & Social Care Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> a) Note the report and the monitoring position on the partnership's 2017/18 revenue budget at 31st December 2017. b) Approve the request for the direction of the balance of social care funding of £127k to Scottish Borders Council to address the pressures in social care. c) Approve the request for the direction of £443k of Integrated Care Fund to Scottish Borders Council to address the pressures in social care. d) Request a full and detailed report on the Integrated Care Fund projects to be presented at the next Board meeting.
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Personnel:	No resourcing implications beyond the financial resources identified within the report.
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Carers:	N/A
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Equalities:	There are no equalities impacts arising from this report.
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Financial:	As detailed within the report.
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Legal:	This report is in line with legislation.
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Risk Implications:	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.
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Background

- 1.1 The report relates to the monitoring position on both the budget supporting all functions delegated to the partnership (the “delegated budget”) and the budget relating to large-hospital functions retained and set aside for the population of the Scottish Borders (the “set-aside budget”).
- 1.2 On the 30th March 2017, the Integration Joint Board (IJB) agreed the delegation of £146.288m of resources supporting integrated health and social care functions for financial year 2016/17. At the same time, it noted the proposed budget of £18.978m relating to the large hospitals budget set-aside.
- 1.3 Since the Financial Statement was approved by the IJB in March 2017, a number of factors have resulted in the revisions to the base budgets supporting delegated and set-aside functions. These factors include final grant allocation settlements having been made, intra-organisational budget realignments and additional funding provisions by the Scottish Government. The revised budget positions are currently:

	2017/18 Revised Budget £m
Healthcare Functions - Delegated	99.477
Social Care Functions - Delegated	46.408
Total Delegated	145.885
 Healthcare Functions - Set-Aside	 20.696

- 1.4 This report sets out the current monitoring position on both the delegated and set-aside budgets at 31 December 2017 and details the key areas of financial pressure and proposals for their mitigation.
- 1.5 The partnership has two further sources of ring-fenced resources at its disposal namely the social care fund and the integrated care fund. It has also assumed a monitoring role for the balance of the Older People’s Change Fund. This report provides an update on each of these funding sources.

Overview of Monitoring Position at 31 December 2017

Delegated Budget

Healthcare Functions

- 2.1 As in 2016/17, delegated healthcare functions continue to experience considerable financial pressure. Currently, an adverse outturn projection of almost £4.7m is

forecast, representing 4.8% of the overall budget. The prime service area where this pressure is being experienced is Generic Services within which a range of miscellaneous functions such as community hospitals, dental, pharmacy and nursing, prescribing and general medical services and primary staffing and management are managed. Generic Services is also where any unallocated savings target are reported.

2.2 Within Generic Services, significant overspends relate in the main to the shortfall in, and non-delivery of, planned efficiency and savings targets. These include:

- £1.5m related to shortfall on projected savings target in prescribing – a considerable savings target (£3.2m) was applied at the start of the financial year and currently, £1.7m of schemes have been identified although delay in releasing savings on particular schemes is also impacting on the realisable savings available.
- £0.398m related to the overall unachieved balance on the operational budgets 3% savings targets.
- £1.239m of £1.922m recurring savings that were carried forward from 2016/17 that will not be delivered in year and for which no mitigating action has been identified.

2.3 This forecast position was considered as part of 2017/18 financial recovery plan which was agreed by NHS Board at its meeting in December 2017.

Social Care Functions

2.4 Social care functions are currently projecting a year end overspend position of £0.570m. A number of areas of pressures exist, particularly the provision of additional care home beds and the ongoing level of care at home hours provided. This relates primarily to Older People and Physical Disability services and is driven by further increases in demand/need for care and support.

2.5 The Chief Officer has received budget line detailed financial information, although to date no activity information, on the £570k forecast overspend.

2.6 SBC has no plans in place to offset this forecast overspend and request that additional resources are directed by the IJB to address these pressures.

Large Hospital Budget Set-Aside

3.1 Set Aside budgets are reporting a projected £3.5m overspend position.

3.2 The key pressure areas continue to be:

- The use of both agency medical and nursing staff to support the continuing provision of surge bed capacity to address the high number of delayed discharges across the health system.
- The requirement for additional staff in A&E to deal with increased activity, vacancies and mitigate clinical risks.
- Additional staff to support patient acuity and vacancies in medicine for the elderly.
- The non delivery of savings.

- 3.3 This forecast position was considered as part of 2017/18 financial recovery plan which was agreed by NHS Board at its meeting in December 2017.

Recovery Planning and Delivery

- 4.1 Section 3 and 5 above clearly outlines significant ongoing financial pressures across healthcare delegated services and set aside budgets.
- 4.2 NHS Borders Board has agreed a financial recovery plan for 2017/18. This puts in place a number of actions and controls, many of which are non recurring, which will offset the operational overspends across the organisation including the IJB health delegated and set aside budgets. Based on a number of assumptions and caveated by a number of risks a break even position on health budgets at 31st March 2018 is forecast by NHS Borders Board. The plan proposes that additional resources will be provided to the IJB on a non recurring basis for 2017/18 to meet the operational pressures and offset unachieved efficiency savings targets in the health delegated and set aside budgets.
- 4.3 Although this will allow the IJB to breakeven in 2017/18 a priority for the IJB is to ensure a sustainable approach to financial planning and management within the partnership in line with the Board's approved Financial Strategy.
- 4.4 For social care functions after incorporating the anticipated mitigating actions by the Scottish Borders Council-wide savings programme an overspend position continues to be forecast. SBC has requested that additional funding should be directed to address the balance of forecasted pressures.

IJB Ring Fenced Resources

Social Care Funding

- 5.1 As part of the 2017/18 Health Board and Local Authority funding settlements, the Scottish Government announced an additional £107m of Social Care Funding to health and social care partnerships in order to fulfil a range of commitments. £100m of this funding has been baselined on a recurrent basis. The £7m was allocated on a non recurring basis. This supplemented the additional £250m Social Care Funding made to partnerships in 2016/17 which was baselined on a recurring basis. The total 2017/18 allocation to the Scottish Borders Partnership was £7.547m consisting of £5.267m 2016/17 and £2.130m 2017/18 allocation now baselined with £6.135m delegated on a permanent basis. In 2017/18 £150k was allocated on a non recurring basis.
- 5.2 During 2017/18, the IJB also directed £1.285m of Social Care Funding on a non-recurring basis in order to meet the cost of implementing a number of policy initiatives and address other primarily demand-led cost pressures which had emerged in-year. These are summarised in the table below.

Table 1 – 2017/18 Social Care Funding directed by the Integration Joint Board to date

	2016/17			2017/18		
	Temporary £'000	Permanent £'000	Total £'000	Temporary £'000	Permanent £'000	Total £'000
<u>Directed during 2016/17:</u>						
Living Wage £8.25	0	813	813	0	1,626	1,626
Social Care						
Demographic/Demand	220	2,508	2,728	0	2,508	2,508
Night Support Sleep Ins*	0	0	0	0	0	0
Community Mental Health Worker	0	25	25	0	50	50
Charging Threshold	0	154	154	0	154	154
Surge Beds	500	0	500	0	0	0
Prescribing	677	0	677	0	0	0
BAES Equipment	295	0	295	0	0	0
Night Support Review	75	0	75	0	0	0
<u>Mar-17</u>						
COSLA Uplift	0	0	0	0	261	261
Living Wage £8.45	0	0	0	0	829	829
<u>Aug-17</u>						
Residential Care	0	0	0	0	407	407
Housing With care	0	0	0	0	100	100
Adults with Learning Disabilities	0	0	0	0	200	200
<u>Oct-17</u>						
Community Equipment Store	0	0	0	285	0	285
NHS Borders Surge Beds*	0	0	0	1,000	0	1,000
Total Directed to Date	1,767	3,500	5,267	1,285	6,135	7,420
Total Allocation			5,267			7,547
Remaining Resources			0			127

£750k remains indicatively directed on a recurring basis to Night Support from 2018/19. This will be clarified once final agreements and costings are complete.

5.3 As Table 1 shows, currently £127k of the allocation remains uncommitted.

5.4 Social care functions are projecting an adverse outturn variance of £570k. This report seeks Board approval for direction of the remaining 2017/18 Social Care funding allocation of £127k towards mitigation of this pressure on a non recurring basis.

Integrated Care Fund (ICF)

6.1 The ICF was first allocated to the shadow partnership in 2015/16 with the award of £2.13m per annum (2.13% of £100m p.a.), a total allocation of £6.39m over the 3 years of the programme. Since then, a number of projects have been approved by the IJB with full cost commitment of £5.225m. Following a request by the Board a full

report on each of the projects detailing the spend to date, forecast spend and the outcomes delivered will be presented at the next IJB meeting. This will give the Board the opportunity to consider its commitment to the projects with a view to continuing or ceasing the funding contributions that are currently in place.

- 6.2 At this point prior to this review the remaining ICF balance is currently £1.165m. This report seeks Board approval for direction of £443k of this balance to support the forecast pressures within social care.

Older People's Change Fund

- 7.1 The Older People's Change Fund was a 4-year Scottish Government-funded transformation programme that ran from 2012/13 to 2015/16. The IJB has agreed to take on a monitoring role for the balance of this fund. As reported to the Board in October, the residual funding is held within a Scottish Borders Council designated reserve fund and was earmarked and agreed by the Reshaping Care Board for the connected care project. As at 31st March 2017 a balance of £557k was held. Estimated commitments for 2017/18 against this project are £150k leaving a forecast balance of £407k as at 31st March 2018. Due to contractual arrangements (a DME consultant and Red Cross contract) that are in place this project will continue in the new financial year.

Risk

- 8.1 A number of risks associated with the IJB's monitoring position have been historically reported, including the extent of the NHS financial recovery required, the challenge over ensuring the recovery plan is delivered, the assumptions used to project the financial position and any change to those assumptions from the present time to the year end.
- 8.2 The most significant strategic risk relates to the partner financial plans in future years and the significant level of non-recurring efficiency and savings actions on which the partnership's budget remains predicated. The Chief Officer together with EMT are working to develop and implement a large-scale strategic transformation programme which will underpin the ability of partners and, as a consequence the IJB, to achieve financial sustainability.
- 8.3 Any adverse variance at the end of the financial year will be dealt with as per the partnership's Integration Scheme which requires a number of actions to be taken but ultimately will be supported from partner organisations.