

MONITORING OF THE SHADOW INTEGRATED BUDGET 2015/16

Aim

- 1.1 To provide the Health & Social Care Integration Joint Board with a report, by exception, of any significant pressures within the Partnership's Integrated Budget based on the projected outturn as at 31st January 2016.

Background

- 2.1 The total Shadow Revised Integrated Budget stands currently at £137.460m.
- 2.2 The services contained within this report related to the latest prescribed services for delegation within the Regulations to the bill and it is anticipated that these will form the basis of the delegated budget on 1st April 2016.
- 2.3 It was agreed that 2015/16 will be a shadow year and the integrated budget will be on an aligned basis. As a result, any cost pressures remain the responsibility of the partner organisations which has been the basis for remedial action taken for the year to date and how any adverse or favourable variances will be addressed at the end of the financial year.

Key Issues

- 3.1 At the end of January 2016, the partnership's shadow delegated budget is reporting a position of projected year end pressures of £403k. This position is net of considerable of both permanent and temporary investment into key areas of budget and will require further remedial actions to address these pressures between now and over the financial year-end. The investment of additional resources to meet emerging pressures (eg the drawing down of reserves to fund the additional costs of night support/homecare provision) was previously reported to the Board as they arose during 2015/16.
- 3.2 Total projected spend on the shadow budget at the 31st January 2016 therefore is £137.858m
- 3.3 There are a number of areas where cost and demand factors are driving increased total spend pressures. These include:

Older People's Service – The higher than anticipated level of both residential care beds and care at home hours commissioned during 2015/16, exacerbated by factors including the transfer of homecare contracts to SB Cares, provider of last resort and night support sleep-in wage costs. These pressures have been met temporarily by a range of actions including vacancy freeze, targeted locality savings and savings through the reorganisation of the dementia care team and an overall net position of £23k is projected with further investment in the 2016/17 financial plan aimed at permanently addressing these drivers and other pressures. Notably however, the position has improved considerably since the last reported position due to a significant reduction in these service areas and lower demand during the December / January period.

Generic Services – The highest area of risk and financial pressure continues to be on the

GP Prescribing budget where a projected position of £1.0m overspend remains due to specific volatile and escalating pharmaceuticals. This pressure has been part-mitigated by planned savings across other generic services including Dental Services and Sexual Health although there are other service areas which vary also. The position is also assisted by the delivery of additional remedial savings targets across locality offices and rigorous management of staff turnover, resulting in overall pressures of £638k being projected within these areas of service.

3.4 Planned savings of £200k are also projected within the joint Mental Health Service.

3.5 As a shadow year with budgets aligned only, any year-end overspends will be the responsibility of the host organisation. NHS Borders will manage its element of any overspend by taking appropriate action. In anticipation of any unforeseen pressures NHS Borders has set aside a small contingency in its financial plan and will make continued use of a number of financial control measures. Discussions have already taken place within Scottish Borders Council's corporate management team and an agreed plan for funding these pressures within the shadow delegated budget from elsewhere across the Council and in particular, the People Department (non-delegated services) is in place.

3.6 The Board will be informed should any further pressures arise and of any management action being taken to mitigate the pressure. .

Recommendation

It is recommended that the Health & Social Care Integration Joint Board:

- **Note** the above reported projected position of £403k net pressures at 31st January 2016 and notes that both partner organisations are working to minimise any adverse variance at year-end but should this not be possible the responsible organisation will ensure that resources are available to ensure a break even out turn.
- **Note** that Budget Holders/Managers will continue to work to deliver planned savings and deliver a balanced budget. Where this is not possible managers will work to bring forward actions to mitigate any projected overspends.

Policy/Strategy Implications	In compliance with the Public Bodies (Joint Working) (Scotland) Act 2014 and any consequential Regulations, Orders, Directions and Guidance.
Consultation	Members of the Integration Programme Board have been consulted on the report and the position reported to the Shadow Board. The report has also been reviewed by and approved by relevant Management Teams within both partner organisations.
Risk Assessment	A full risk assessment and risk monitoring process for the Integration Programme is being developed as part of the Integration Programme arrangements.
Compliance with requirements on	An equality impact assessment will be

Equality and Diversity	undertaken on the arrangements for Joint Integration when agreed.
Resource/Staffing Implications	It is anticipated that the Integration Shadow Board will oversee services which have a budget of over £130m, within the existing scope. The budget will change as other functions are brought within the scope of the Integration Shadow Board.

Approved by

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