

MONITORING OF THE SHADOW INTEGRATED BUDGET 2015/16

Aim

- 1.1 To provide the Shadow Board with a report, by exception, of any significant pressures within the Partnership's Integrated Budget based on the projected outturn as at 29th February 2016.

Background

- 2.1 The total Shadow Revised Integrated Budget stands currently at £137.807m.
- 2.2 The services contained within this report related to those prescribed functions for delegation within the Public Bodies (Joint Working)(Scotland) Act 2014 which form the basis of the budget delegated to the IJB on 1st April 2016 for 2016/17.
- 2.3 2015/16 has operated as a shadow year with the shadow delegated budget being managed on an aligned basis only. Accordingly, any cost pressures reported in 2015/16 remain the responsibility of the partner organisation responsible who, during the year to date, have put in place remedial action plans which include actions across service areas and budgets from both delegated and non-delegated functions.

Key Issues

- 3.1 At 29th February 2016, the partnership's shadow delegated budget is reporting an overall position of projected year end pressures of £0.678m. This position is net of considerable pressures which have required permanent or temporary investment into key areas of budget during the year. Further remedial actions to address the projected overspend have been agreed including the delivery of savings from elsewhere across organisational budgets, within functions both delegated and non-delegated.
- 3.2 Total projected spend on the shadow budget at the 29th February 2016 is £138.485m
- 3.3 Relating to the overall projected position reported above, there are a number of areas where cost and demand factors are driving increased total spend above budget. These include:
- 3.4 *Joint Mental Health Service* - Mental Health Services are reporting a year end out turn underspend of £174k related primarily to services within NHS Borders due to staffing vacancies. Year to date while overall mental health services are underspent there is an overspend in SBC mental health service due to a number of new care packages, however it is anticipated the Social Care element of the current overspend will be brought back into line prior to year end.
- 3.5 *Older People's Service* – The level of both residential care beds and care at home hours commissioned externally during 2015/16 continues to exceed the level of budget available, with the drop in overall numbers in both areas over December and January having been offset by a subsequent rise during February (net

increase of 8 beds and 280 hours per week respectively). The financial position this year has further been exacerbated by other exceptional factors including the transfer of homecare contracts to SB Cares, the Council's provider of last resort, and new night support sleep-in wage costs as a result of employment legislation changes. These pressures have been met temporarily in 2015/16 by a range of actions including vacancy freeze, targeted locality team savings and the postponement in the establishment of the new dementia care team. In order to ensure the Older People's budget is affordable going forward, further investment in the 2016/17 financial plan has been aimed at permanently addressing these additional cost drivers and other new emerging pressures.

- 3.6 *Generic Services* – The highest area of risk and greatest financial pressure across the shadow delegated budget continues to be within GP Prescribing. The projected out turn position for this services has increased by £0.1m to £1.1m for the financial year due to the volatility in the global supply of drugs and the impact this is having on the price of drugs. This position is driven by the unprecedented cost pressure within the GP Prescribing budget over which influence and control are limited. The Medicines Resource Group continues to monitor the situation and to take actions where possible. This pressure has been partly offset by savings across other generic services including Dental Services and Sexual Health (£348k total). Vacant posts in dental at the start of the financial year are largely responsible for this underspend. The delivery of additional remedial savings targets across locality offices (£151k) and targeted management of staff turnover has contributed towards delivering savings to offset the social care pressures within Older People. A combination of other savings including vacancy control within planning and service management (£243k), out of hours (£122k), general medical services (£50k) and smoking cessation (£40k) has enabled an overall projected pressure of £775k to be reported.

Summary

- 4.1 The revenue monitoring position set out in this report is based on the actual income and expenditure to the 29th February 2016. The Partnership is reporting a projected out turn position of £0.678m. Both organisations will continue working to minimise this overspend. As the budgets are on an aligned basis any year end overspend will be met by the relevant responsible organisation.
- 4.2 NHS Borders will manage its element of the overspend by implementing agreed actions and will continue to use a number of financial control measures to minimise the overspend. In anticipation of any unforeseen pressures, NHS Borders set aside a small contingency in its financial plan to deal with any issues.
- 4.3 Discussions have already taken place within Scottish Borders Council's corporate management team and an agreed plan for funding the social care pressures within the shadow delegated budget from elsewhere across the Council and in particular, the People Department (non-delegated services) is in place should the requirement arise at outturn, although the current breakeven position provides a degree of assurance that this may not be required.
- 4.4 The Board will be informed should any further pressures arise and of any management action being taken to mitigate the pressure and a draft outturn

position will be available at the IJB meeting in June 2016.

Recommendation

It is recommended that the Board:

Notes the above reported projected position of £0.678m net pressures within the shadow delegated budget at 29th February 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.

Notes 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 IJB. 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 Equality and Diversity	An equality impact assessment will be undertaken on the arrangements for Joint Integration when agreed.
Resource/Staffing Implications	The IJB will oversee services which has a delegated budget of over £130m, within the existing scope. The budget may change as other functions are brought within the scope of the Integration Shadow Board.

Approved by

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