

Public Document Pack



A meeting of the **Health & Social Care Integration Joint Board** will be held on **Tuesday, 24th March, 2020** at **10.00 am** in SBC HQ - Virtual meeting

AGENDA

| Time | No | | Lead | Paper |
|-------------|-----------|--|--------------------------------|-----------------|
| | 1 | ANNOUNCEMENTS & APOLOGIES | Chair | Verbal |
| | 2 | DECLARATIONS OF INTEREST Members should declare any financial and non financial interests they have in the items of business for consideration, identifying the relevant agenda item and the nature of their interest. | Chair | Verbal |
| | 3 | MINUTES OF PREVIOUS MEETING | Chair | (Pages 3 - 8) |
| | 4 | MATTERS ARISING - ACTION TRACKER | Chair | (Pages 9 - 10) |
| | 5 | FOR DECISION | | |
| | 5.1 | Discharge Programme Funding Model | Chief Officer | (Pages 11 - 16) |
| | 5.2 | Integration Joint Board 2020/21 - 2022/23 Financial Plan | Chief Financial Officer | (Pages 17 - 28) |
| | 6 | ANY OTHER BUSINESS | Chair | |
| | 7 | DATE AND TIME OF NEXT MEETING | Chair | Verbal |

Wednesday 20 May 2020 at 10am
in the Council Chamber, Scottish
Borders Council



Minutes of a meeting of the **Health & Social Care Integration Joint Board** held on Wednesday 19 February 2020 at 10am in the Council Chamber, Scottish Borders Council

Present:

| | |
|---------------------------|-----------------------|
| (v) Dr S Mather (Chair) | (v) Cllr D Parker |
| (v) Cllr J Greenwell | (v) Mr M Dickson |
| (v) Cllr S Haslam | (v) Mrs K Hamilton |
| (v) Cllr T Weatherston | (v) Mr J McLaren |
| (v) Cllr E Thornton-Nicol | Mr R McCulloch-Graham |
| Mrs J Smith | Ms L Gallacher |
| Mr D Bell | Mrs N Berry |
| Mr S Easingwood | Mr N Istephan |
| Mr M Porteous | Dr K Buchan |

In Attendance:

| | |
|----------------|--------------|
| Miss L Ramage | Mr R Roberts |
| Mrs T Logan | Mrs J Stacey |
| Ms S Douglas | Mrs C Gillie |
| Mr G Samson | Mr G McMurdo |
| Ms M Hermiston | Mrs S Bell |
| Mr P Lunts | Ms C Oliver |

1. Apologies and Announcements

Apologies had been received from Mr Tris Taylor, Dr Cliff Sharp, Dr Tim Patterson, Mr David Robertson, Mr Geoff Marks and Ms Catriona Hutcheson.

The Chair confirmed the meeting was quorate.

The Chair welcomed Ms Suzy Douglas to the meeting who was deputising for Mr David Robertson.

The Chair welcomed a range of other attendees to the meeting including Mr Phil Lunts and Mr Graeme McMurdo.

The Chair welcomed members of the public to the meeting.

2. Declarations of Interest

The Chair sought any verbal declarations of interest pertaining to items on the agenda.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** noted there were none.

3. Minutes of Previous Meeting

The minutes of the previous meeting of the Health & Social Care Integration Joint Board held on 17 December 2019 were approved, with the correction of a typo under item five, paragraph two.

4. Matters Arising

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** noted the action tracker.

5. Appointment of External Member of Integration Joint Board Audit Committee

Cllr Tom Weatherston provided an overview of the report requesting the appointment of a new external board member to replace Mr Anson Clark. Cllr Tom Weatherston thanked Mr Anson Clark for his contribution to the IJB Audit Committee during his time as an external member.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** approved the appointment of Jim Wilson as External Member of the Scottish Borders Health and Social Care Integration Joint Board Audit Committee to 31 October 2021.

6. Inspections Update – Older People’s Services

The Chair informed members that unfortunately the Care Inspectorate representatives had subsequently given their apologies for the meeting and would be in touch to reschedule a presentation of their verbal feedback.

Mr Rob McCulloch-Graham advised that Care Inspectorate (CI) inspectors were on site week commencing 25 November 2019 to attend various meetings and workshops, as part of the review of the 2017 report on the ‘Joint Inspection of Adult Health and Social Care Services’ and the subsequent thirteen recommendations which informed the local action plan.

An overview of the formal feedback session held on 18 December 2019 was given; which saw improvement across all recommendations.

The draft report was circulated for factual accuracy checking on 17 January 2020 and returned to CI on 29 January 2020. The final report was published in the public domain on 12 February 2020.

Members welcomed the feedback and the published report, thanking all services involved for their hard work in delivering the action plan.

As part of recommendation one, Mr Malcolm Dickson asked for an update on the recruitment of Service User Representatives on the IJB. Mr Rob McCulloch-Graham reminded members that five representatives of the Locality Working Groups would sit on the Strategic Planning Group, and then elect one of these representatives to sit on the IJB. Separately, an advert had been published for a second Service User to sit on the IJB following an interview process in March 2020. Therefore, Mr Rob McCulloch-Graham provided assurance that the posts would be filled over the next three months.

Ms Lynn Gallacher asked members to continue improvement measures for robust service user engagement and carer involvement. Mr Rob McCulloch-Graham noted his agreement and advised this principle should be endorsed by the IJB as part of a communications strategy. Mrs Jenny Smith agreed the approach to user and carer involvement should be more strategic and consistent, which can be developed in partnership with third sector.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** noted the published report.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** were unable to note verbal feedback from the Care Inspectorate due to apologies.

7. Quarterly Performance Report

Mr Graeme McMurdo provided an overview of the content of the report, advising that some of the snapshot data remained in draft and finalised figures would be available imminently.

A discussion ensued around the discharge to assess policy and the consistency of reporting between partner organisations and nationally, particularly around delayed discharges.

Mrs Tracey Logan raised concern over the lack of social care data in the report.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** agreed the action to expand the quarterly performance report to include social care data.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** noted and approved any changes made to performance reporting.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** noted the key challenges highlighted.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** directed actions to address the challenges and to mitigate risk.

8. Delayed Discharges

Mr Rob McCulloch-Graham gave a presentation on the trend of delayed patients awaiting discharge from hospital over the last 10 months and the resulting challenges. Members were asked to note the decreasing levels of delayed discharges in the run up to the winter period, which has since deteriorated slightly.

A discussion ensued on the definition of a delayed discharge, which is set by Scottish Government as part of performance reporting.

Mrs Tracey Logan suggested that the respective management teams discuss realistic expectations on service availability in comparison to the delayed discharge demand across the whole health and social care estate, agreeing that patients should not be kept unnecessarily in hospital but stressed the importance of understanding capacity restrictions.

Mrs Nicky Berry agreed to the approach of partnership working and capacity expectation; however highlighted the real risks to people's health when delayed in hospital. Members were advised that partnership working in discharge planning had improved significantly over the winter period.

Mrs Karen Hamilton advised it would be helpful to have information on Care Home admissions/availability and Package of Care allocations/availability to provide whole system context when reporting on delayed discharges.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** agreed the action of asking the Executive Management Team to develop a whole system reporting framework to inform and provide context on the delayed patients across the health and social care estate.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** noted the presentation.

9. Monitoring of the Integration Joint Budget 2019/20

Mr Mike Porteous gave a brief overview of the content of the report and advised that the IJB is reporting a forecast overspend of £2.824m at the end of the financial year, at the time of developing the report. Since then, Scottish Borders Council had reported an updated improved position of overcoming the predicted overspend of £0.824m. Therefore the IJB would now be reporting a Health Board forecast overspend of £2m at the end of the financial year.

Mr Ralph Roberts and Mrs Carol Gillie provided an overview of NHS Borders financial position; the Turnaround Programme had generated double the previous annual amount of in year recurrent savings to £7m, the request for brokerage had decreased to £8.3m this financial year and the projected overspend in IJB delegated services would breakeven.

Mr Rob McCulloch-Graham advised members that there is a fundamental lack on funding to run all IJB delegated services. Concerns were raised by members on the direct affect of financial challenges on the public.

Mrs Karen Hamilton asked for future iterations of the monitoring report to improve the clarity of the embedded tables, signed off by all Director's of Finance prior to presentation at the IJB.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** acknowledged the forecast overspend for the Partnership for the year to 31 March 2020 based on available information.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** noted the forecast position includes the additional support of £0.828m allocated to the Council H&SC services in December by the IJB.

The **HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD** noted that any expenditure in excess of the delegated budgets in 2019/20 will require to be funded by additional contributions from the partners in line with the approved scheme of integration

10. Any Other Business

CLlr Elaine Thornton-Nicol advised of her apologies for the 18 March 2020 meeting.

11. Date and Time of next meeting

The Chair confirmed that the next meeting of Health & Social Care Integration Joint Board would take place on Wednesday 18 March 2020 at 10am in the Council Chamber, Scottish Borders Council.

The meeting concluded at 11.20am.

Signature:
Chair

DRAFT

This page is intentionally left blank

Health & Social Care Integration Joint Board Action Point Tracker



Meeting held 8 May 2019

Agenda Item: Primary Care Improvement Plan (April 2019-March 2020)

| Action Number | Reference in Minutes | Action | Action by: | Timescale | Progress | RAG Status |
|---------------|----------------------|--|------------------------------------|------------|--|---|
| 8 | 7 | The HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD agreed that a future Development session be led by service users and primary care leads in regard to long term conditions. | Rob McCulloch-Graham Erica Reid | April 2020 | Update: Item added to April Development session schedule. LWG representatives to be involved. <i>In light of Covid-19, it is suggested that this session is delayed until safe to do so.</i> |  |

Page 9

Agenda Item: Integration Joint Board 2019/20 Financial Plan

| Action Number | Reference in Minutes | Action | Action by: | Timescale | Progress | RAG Status |
|---------------|----------------------|---|---------------|-----------------------|------------------------------|---|
| 13 | 8 | The HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD directed the IJB Officers to continue to work with NHS Borders and SBC to develop a Joint Turnaround Programme and a Joint Financial Recovery Plan to address the financial gap and mitigate the risks relating to Health and Social Care services. | Mike Porteous | Note until March 2020 | <i>On agenda – complete.</i> |  |

Agenda Item 4

Meeting held 19 February 2020

Agenda Item: Quarterly Performance Report

| Action Number | Reference in Minutes | Action | Action by: | Timescale | Progress | RAG Status |
|---------------|----------------------|---|--|-----------|------------------|---|
| 1 | 7 | The HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD agreed the action to expand the quarterly performance report to include social care data. | Rob McCulloch-Graham Graeme McMurdo | May 2020 | <i>Underway.</i> |  |

Agenda Item: Delayed Discharges

| Action Number | Reference in Minutes | Action | Action by: | Timescale | Progress | RAG Status |
|---------------|----------------------|---|---------------------------|-----------|---|---|
| 2 | 8 | The HEALTH & SOCIAL CARE INTEGRATION JOINT BOARD agreed the action of asking the Executive Management Team to develop a whole system reporting framework to inform and provide context on the delayed patients across the health and social care estate. | Executive Management Team | May 2020 | <i>Ready to be reported to EMT in April 2020.</i> |  |

Page 10

| KEY: | |
|---|-------------------------|
|  | Overdue / timescale TBA |
|  | <2 weeks to timescale |
|  | >2 weeks to timescale |

Scottish Borders Health & Social Care
Integration Joint Board



Meeting Date: 24 March 2020

| | |
|------------|--|
| Report By | Rob McCulloch-Graham, Chief Officer Health & Social Care |
| Contact | Rob McCulloch-Graham, Chief Officer Health & Social Care |
| Telephone: | 01896 828290 |

DISCHARGE PROGRAMME FUNDING MODEL

| | |
|---------------------------|--|
| Purpose of Report: | <p>This paper follows the recent evaluation of the Discharge Programme presented to the last IJB. It proposes a whole system approach to funding the continued operation of the services within the Discharge Programme.</p> <p>Since the last IJB the country has now entered the Covid-19 pandemic. The original intention of the discharge programme has now become significantly more important and essential.</p> <p>This paper also provides an update on the status of the Transformation Fund, with the following recommendations.</p> |
|---------------------------|--|

| | |
|-------------------------|--|
| Recommendations: | <p>The Health & Social Care Integration Joint Board is asked to agree:</p> <ol style="list-style-type: none"> a) The funding allocations from the Transformation Fund 2020-2021, detailed in Table 2, paragraph 8.4. b) That the “Step Down” facilities of Waverley Care Home be merged with the operations of Garden View, as soon it is practical and safe to do so. c) That the IJB receives a further paper outlining a detailed “Direction” on the reduction of hospital beds. |
|-------------------------|--|

| | |
|-------------------|---|
| Personnel: | <p>The Transformation Fund enables the employment of staff within each project. Agreement to continue funding will require extension to existing contracts and appointment of new posts. Should the IJB not approve the proposal, normal HR processes will apply regarding redundancy and/or re-deployment.</p> |
|-------------------|---|

| | |
|----------------|--|
| Carers: | <p>The Health & Social Care Partnership will continue to liaise with Carers in the Borders around the ongoing development of the initiatives within this paper and the ongoing wider development of the Strategic Implementation Plan.</p> |
|----------------|--|

| | |
|--------------------|-----|
| Equalities: | N/A |
|--------------------|-----|

| | |
|--------------------|---|
| Financial: | No resource implications beyond the financial resource identified within the report. |
| Legal: | 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. |
| Risk Implications: | Not supporting the continuation of these workstreams may adversely impact on patient flow and increase demand on acute provision. This risk is significantly heightened by Covid-19. |

1 Background

- 1.1 The Discharge Programme was established in February 2019 and comprises 5 separate but interlinked services that were brought together under the common aim of reducing time spent in hospital by older people. The services and their expected full year costs which are unfunded beyond 31 March 2020 are summarised below in **Table 1**:

| <u>Discharge Programme Services</u> | Full Year Costs £000s |
|-------------------------------------|--------------------------------------|
| Home First | 1,600 |
| Waverley | 206 |
| Garden View | 800 |
| Matching Unit | 204 |
| Strata | 115 |
| Total Cost | <u>2,925</u> |

- 1.2 The Transformation Fund was necessarily depleted to support the demand on both residential and homecare with 19/20 financial year (the IJB received papers on this in January 2020). The funds available in 20/21 are £2,193k. There is therefore a potential shortfall of £732k, for the discharge programme (£832k in total commitments for 20/21).

2 The Programme Evaluation

- 2.1 In September 2019, the Discharge Programme funding was extended to 31 March 2020 and it was noted that a full evaluation of the projects within the Programme was required before that date to enable the IJB to consider whether or not to progress the services and how to fund them in the future.
- 2.2 The Discharge Programme Evaluation was presented to the Executive Management Team (EMT) and Integration Joint Board (IJB) in February. All 5 projects evaluated positively and the EMT recommended to continue, subject to confirmation of funding.
- 2.3 The EMT requested that a whole system approach across the totality of the IJB budget to enable its continuation.

3 Whole System Review of Funding Options

3.1 The EMT request was taken forward by a group of finance, service and project colleagues from both NHS Borders (NHSB) and Scottish Borders Council (SBC) working in partnership to deliver the brief. The process identified the following proposals to bring the programme into budget.

1. Reduce current programme cost
2. Reduction in hospital beds as a result of reduced demand and occupied bed days.
3. Integration of “Step Down” facilities
4. Reduction in administration costs

3.2 The following sections of this paper provide the detail of work undertaken to complete the above steps.

4 Reduce Current Programme Cost

4.1 The funding identified for each service was based on estimated costs and financial modelling outcomes done at a point in time. Reviews of each of the projects identified

- A reduction in Home First costs. Staff are now employed on full time or fixed term contracts and their ongoing costs are now known, and not estimated. An overall reduction of £200k in costs was identified when ongoing spend was compared to funding required.
- A saving of £104k was identified in relation to the Waverley reablement service. This can only be realised, however, if the recommended actions to merge the integrated step down facility services noted below are taken.

5 Reduction in Hospital Beds

5.1 The key outcome from the programme is to facilitate the timely discharge of patients from hospital and to support relevant patients in the community to reduce demand for health and social care. The evaluation of these services identified an 8% reduction in hospital occupied bed-days. Collectively the programme will lead to a reduction in hospital beds which will release £1070k in a full year. We estimate a 50% use of these funds to support the programme.

6 Integrating Step Down Facilities

6.1 An opportunity has been identified to bring all transitional care and discharge to assess beds into one place. The historical occupancy across Garden View and Waverley facilities indicates all these clients could be accommodated in Garden View going forward. This would utilise all 23 beds within Garden View but would release 16 beds from Waverley to be used for residential care. The current reablement model would transfer to the expanded Garden View service under this proposal.

6.2 There is a saving of £104k from implementing this development.

7 Admin Costs

7.1 The evaluation of the Discharge Programme indicated that an administrative saving could be made by merging the Matching Unit and STRATA services with SBCares. Initial estimates indicated this merger would release circa £204k. Further savings

are expected in admin costs from the further roll out of STRATA, these have still to be quantified and are not included within this paper.

8 Residential and Homecare

- 8.1 With the proposal to expand Home First and support a close partnership with SBCares' further development of "reablement services", we expect a further reduction in the demand for homecare or at least a reduction in the rate of demographic pressure increase.
- 8.2 The proposals have also released a further 16 residential beds for permanent use, which were previously being utilised as intermediate care beds.
- 8.3 The cost saving of the hospital bed closures for 20/21, £294k is a part year cost, the full year saving of £502k, will allow for further support for care, subject to IJB approval for the 21/22 budget.
- 8.4 The implications of these proposals are summarised in **Table 2** below:

| Programme | 19/20 | 20/21 | |
|-------------------|-------------------|---|---|
| Home First | £1,600,000 | £1,210,000 | Phased, full yr effect £1,400,000 |
| Waverley | £206,000 | £102,000 | Transfer to Garden View |
| Garden View | £800,000 | £939,000 | Cost of 23 beds |
| Matching Unit | £204,000 | £0 | Mainstream budget |
| STRATA | £115,000 | £115,000 | |
| Shared Lives | | £100,000 | Shared Lives |
| Bed Closure | | -£294,000 | £502,000 full year effect |
| Admin saving | | | STRATA, further savings to be identified, not included. |
| Total cost | £2,925,000 | £2,172,000 £2,193,000 <u>£21,000</u> | Total cost Funds available Underspend |

9 Alternative Options

- 9.1 Alternative options were explored through the whole system review process but they did not deliver the required outcomes of:
- Reducing the time spent in hospital by older people and facilitating their timely discharge from hospital
 - Providing a whole system approach to funding the ongoing provision of the services.
- 9.2 These options are summarised below along with the reason for their rejection

- 9.2.1 Withdraw all the Discharge Programme Services
 Withdrawing the services would remove their £2.6m cost, however it would also mean that a ward of beds would be reinstated with related costs and loss of savings. Similarly, an increase in the requirement for Homecare hours could be expected as patients spend longer in hospital. Most importantly, this option would go against the strategic aims of the IJB and the best interests of the patients.
- 9.2.2 Run the Services at an Overspend
 Comparing the Transformation Fund monies to the reduced cost of the programme identifies recurring pressures of £400k. Both partner bodies are experiencing significant financial pressures and would not have any scope to absorb additional pressures. Furthermore, incurring spend beyond available budget would not be agreed by either partner body.
- 9.3 So the only viable option was the whole system review of Discharge Programme funding.

10 Risks

- 10.1 There is a risk that fully utilising the fund next year will reduce opportunities to pump prime future transformational change.
- 10.2 There is a risk that the Discharge Programme does not deliver on its outcomes and ongoing pressure is experienced in the demand for hospital beds. There needs to be clear agreed outcomes which can be monitored and reported for each element of the Programme. This will ensure clarity in the drivers of any bed pressures and enable corrective action to be taken.
- 10.3 There is a possibility that demand for beds in Garden View will exceed the revised bed base of 23. The modelling done to support this change however indicates the likelihood of this occurring is very low.
- 10.4 The transfer of intermediate care beds from Waverley to Garden View can only be undertaken when service demands allow. There is a risk therefore that the intended saving may reduce. If this occurs, it will be a pressure on the overall budget and alternative savings will need to be identified.
- 10.5 There is a further risk that, if we do not continue with these programmes, that the length of hospital stay would increase, thus reducing the ability for patients to recover quickly. Hospital capacity would therefore be significantly reduced, bringing substantial to the whole health and social care system.

11 Next Steps

- 11.1 As part of the work to identify redesign opportunities the group were able to explore further transformational development opportunities. It was established that it would be possible to release up to a further 46 hospital beds in the future following targeted investment particularly in preventative and rehabilitation services in the community. These bed reductions would release significant funding which could contribute to the outstanding savings targets across the Partnership and provide mainstream funding for the increase in residential and homecare.
- 11.2 It is recommended that further scoping work is undertaken to progress these transformational developments.

12 Summary

12.1 The positive evaluation of the Discharge Programme and the outcome of the whole system approach to identifying ways of funding the programme has resulted in the creation of a sustainable funding model which would ensure the programme continues to evolve and delivers ongoing system benefits across the Partnership.

12.2 The recommendations of the review of the whole system are:

1. The funding allocations from the Transformation Fund 2020-2021, detailed in Table 2, paragraph 8.4.
2. That the “Step Down” facilities of Waverley Care Home be merged with the operations of Garden View, as soon it is practical and safe to do so.
3. That the IJB receives a further paper outlining a detailed “Direction” on the reduction of hospital beds.

Scottish Borders Health & Social Care
Integration Joint Board



Meeting Date: 24 March 2020

| | |
|------------|--------------------------------------|
| Report By | Mike Porteous, Chief Finance Officer |
| Contact | Mike Porteous, Chief Finance Officer |
| Telephone: | 07973981394 |

INTEGRATION JOINT BOARD 2020/21 – 2022/23 FINANCIAL PLAN

| | |
|---------------------------|---|
| Purpose of Report: | The purpose of this paper is to present the Joint Financial Plan for the 3 years 2020 - 2023 to the IJB for approval. |
|---------------------------|---|

| | |
|-------------------------|---|
| Recommendations: | <p>The Health & Social Care Integration Joint Board is asked to:</p> <ul style="list-style-type: none"> a) Approve the budget allocations from NHS Borders (£135.417m) and Scottish Borders Council (£51.477m) for 2020/21. b) Note that in line with the scheme of integration any expenditure in excess of these delegated budgets in 2020/21 will require to be funded by additional contributions from Partners provided all appropriate steps have been taken to deliver a balanced position. c) Note that Partner bodies expect a financial impact from the work to address Covid-19. This paper assumes these costs will be separately identified and will not impact on the delegated function budgets. |
|-------------------------|---|

| | |
|-------------------|--|
| Personnel: | There are no resourcing implications beyond the financial resources identified within the report. Any significant resource impact beyond those identified in the report that may arise during 2019/20 will be reported to the Integration Joint Board. |
|-------------------|--|

| | |
|----------------|-----|
| Carers: | N/A |
|----------------|-----|

| | |
|--------------------|--|
| Equalities: | The equalities impact of the contents of this report are not known at this stage. As the detailed outcomes of the settlements become apparent equalities impact assessments will be carried out. |
|--------------------|--|

| | |
|-------------------|---|
| Financial: | <p>No resourcing implications beyond the financial resources identified within the report.</p> <p>The report draws on information provided in the finance reports presented to NHS Borders and Scottish Borders Council. Both partner organisations' Finance functions have contributed to its development.</p> |
|-------------------|---|

| | |
|--------------------|---|
| Legal: | 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. |
| 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. |

1 Background

- 1.1 The Scottish Government (SG) announced its budget on the 6th of February, notifying Health Boards and Local Authorities of their funding for 2020/21. The allocations received by NHS Borders (NHSB) and Scottish Borders Council (SBC) have informed proposed budget allocations to the IJB for the delegated functions for 2020/21. The SBC budget has been approved by Scottish Borders Council at its meeting of 26th February, and NHSB approved the indicative level of resources to be provided to the IJB on 5th March and will present their financial plan as part of the Annual Operational Plan to its Board on 2nd April.
- 1.2 Confirmation of an additional £95m of funding for Local Authorities was announced on the 27th of February and the proposed utilisation of this funding is timetabled to be presented to the Scottish Borders Council on 26th March.

2 Key Messages from SG Budget Announcements

The key aspects of the SG budget announcements and their implications for NHSB and SBC are summarised below:

- 2.1 Health
- Uplift of 3% for Health Boards - £6.4m for Borders
 - A clear instruction that “payments to Integrated Authorities for delegated health functions must deliver of at least 3% over 2019/20 agreed recurring budgets”
 - Drug & Alcohol funding uplift of 3% plus a share of an additional £12.7m ring fenced funding
 - 5% reduction in ring fenced outcomes framework funding – (£60k for Borders)
 - A further £121m invested nationally in improving patient outcomes – e.g. PCIP and MH service Action 15 funding.
- 2.2 Local Authority
- Overall a flat cash settlement meaning funding is in line with that received in 2019/20 but does not provide any inflationary increases including pay awards.
 - Share of additional £100m passed to LA from Health portfolio - £2.24m for SBC
 - Share of additional £95m funding - £2.089m for SBC – proposed increase for Social Care budgets of £1.389m
 - Flexibility to offset adult social care allocations to Integration Authorities by up to 2% and a maximum of £50m in 2020/21 based on local need which would equate to £1.1m for SBC.

- 2.3 The SG have only provided detailed funding information for 2020/21. This paper will therefore concentrate on the 2020/21 financial position for the IJB. Estimations of the future financial implications of indicative SG allocations and financial pressures are provided in **Appendix 1**
Both NHSB and SBC have incorporated the impact of the 2020/21 funding received in their budget allocations to the IJB for the delegated functions.

3 Delegated Resources 2020/21

- 3.1 The following table summarises the allocations proposed by partner bodies for the functions delegated to the IJB for 2020/21. The table shows the additional recurring and non recurring funding agreed by each partner body along with the proposed SBC allocation of £1.4m from the additional £95m funding from the SG.

| Delegated Functions | Council £m | Health | | Total £m |
|--------------------------------------|---------------|----------------|-----------------|----------------|
| | | Core £m | Set Aside £m | |
| Recurring Base Budgets | 48.427 | 112.303 | 24.434 | 185.164 |
| Recurring Savings Targets | (2.232) | (4.741) | (1.092) | (8.065) |
| | <u>46.195</u> | <u>107.562</u> | <u>23.342</u> | <u>177.099</u> |
| Additional Recurring Resources | 3.893 | 2.914 | 0.964 | 7.771 |
| Proposed additional resources | 1.389 | | | 1.389 |
| Additional Non Recurring Resources | | 0.465 | 0.170 | 0.635 |
| Proposed Resource Allocations | <u>51.477</u> | <u>110.941</u> | <u>24.476</u> | <u>186.894</u> |
| % Increase on Base Budgets | 11.43% | 4.33% | 4.86% | |

- 3.2 The additional resources allocated to the delegated functions are above the level of uplift received by partner bodies and represent their commitment to funding the pressures and statutory commitments which will impact on the delegated functions in 2020/21. They include uplift to the Social Care Fund and the Transformation Fund and reflect the outcomes of demographic modelling across partnership services.
- 3.3 It should be noted that any additional funding increases received by partner bodies during the coming year which relate to delegated functions will be passed on – eg Primary Care Improvement Fund.

4 Funding Requirement

- 4.1 The impact of known and expected costs and pressures has been modelled across the partner's services to identify the level of funding the IJB requires for 2020/21 to fully fund commissioned services.
- Pay pressures have been calculated on the basis of SG pay policy guidelines for 2020/21

- Non pay inflation has been estimated in line with partner body and national guidance
- Prescribing costs are assumed to be in line with estimates provided by NHSB
- Known increases relating to the Scottish Living Wage, the uprating of Free Personal and Nursing Care payments, and the ongoing implementation of the Carers Act have also been built into the funding required
- The impact of known and expected pressures relating to demographic increases in demand for services are also driving an increase in funding required – specifically in relation to Older People and Learning Disability Social Care services.

4.2 The additional costs and pressures arising from this work are detailed in **Appendix 2** and the financial implications of these calculations are summarised below in comparison to the resources NHSB and SBC have provided for 2020/21:

| 2020/21 Forecast Outturn | | | | |
|--------------------------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| Funding Requirement | Council | Health | | Total |
| | £m | Core £m | Set Aside £m | £m |
| Baseline Funding | 48.427 | 112.303 | 24.434 | 185.164 |
| Additional Pressures Anticipated | 5.282 | 3.379 | 1.134 | 9.795 |
| Estimated Funding Required | <u>53.709</u> | <u>115.682</u> | <u>25.568</u> | <u>194.959</u> |
| Resources Provided | <u>51.477</u> | <u>110.941</u> | <u>24.476</u> | <u>186.894</u> |
| Recurring Savings Target | (2.232) | (4.741) | (1.092) | (8.065) |
| Savings Identified | <u>2.232</u> | <u>0.458</u> | <u>0.300</u> | <u>2.990</u> |
| Forecast (Over) / Under spend | <u>(0.000)</u> | <u>(4.283)</u> | <u>(0.792)</u> | <u>(5.075)</u> |

The table identifies the gap that exists between the Funding Required and the Resources Provided which totals (£8.065m).

4.3 Savings

Both organisations have established robust savings programmes to identify and deliver recurring savings over the coming years. Within Social Care services PIDs (Project Initiation Documents) have been completed identifying savings schemes to meet the target established through the Fitfor2024 programme. Within Health delegated functions the challenge is significantly greater. Health savings identified comprise schemes which have been mandated under NHS Borders Financial Turnaround governance arrangements. The governance underpinning the delivery of savings totalling £2.990m across the Partnership ensures there is a high level of confidence these schemes will deliver. **Appendix 3** provides a breakdown of the £2.990m

- 4.4 The combination of uplift received and savings identified within council delegated functions results in a balanced financial plan opening position for these services. However the impact of historical unmet savings targets and the need to deliver savings in excess of funding received across all Health services has resulted in an in year and recurring gap in relation to the Health delegated functions of (£5.075m). Delivering financial balance is dependent on the following assumptions:

5 Assumptions Underpinning Delivery of Financial Balance

| Assumptions Underpinning Delivery of Financial Balance | | | | |
|---|----------------|--------------------|-------------------------|----------------|
| | Council | Health | | Total |
| | £m | Core £m | Set Aside £m | £m |
| Forecast (Over) / Under spend | (0.000) | (4.283) | (0.792) | (5.075) |
| Delivering financial targets | 0.000 | 0.000 | 0.000 | 0.000 |
| Share of brokerage and non recurring balances | | 3.085 | 0.710 | 3.795 |
| Additional Savings / Budget Allocation | | 1.198 | 0.082 | 1.280 |
| Forecast (Over) / Under spend | (0.000) | 0.000 | 0.000 | 0.000 |

- 5.1 **Delivering Planned Outturn**
It is assumed that all NHSB Business Units deliver their mandated savings and a break even yearend position on their operational budgets..
- 5.2 **Brokerage and Non Recurring Savings**
NHSB has requested £7.9m of Brokerage from the SG for 2020/21 to enable it to deliver a balanced position. In addition the Health board is expecting to identify and deliver an additional £7.1m of non recurring savings. These non recurring measures will support NHSB to achieve financial balance in 2020/21. It is assumed that the IJB will receive its £3.795m share of these balances if the brokerage and non recurring savings balances are delivered. NHSB expects to receive confirmation of their request for Brokerage in June as part of the Annual Operating Plan approval process with Scottish Government. This assumption only provides a non recurring solution to the recurring financial gap.
- 5.3 **Savings and Additional Year End Allocations**
Assuming the IJB receives an additional £3.795m there remains a savings target of £1.280m for the delegated Health functions. Further work on identifying schemes to meet this target is underway across Mental Health and Primary & Community Care services as well as within Prescribing. This paper recommends that the IJB approve the budget allocations with the caveat that the Scheme of Integration enables the IJB to request an additional payment from the relevant partner body to cover any shortfall provided all appropriate steps have been taken to deliver a balanced position. It is assumed that any residual shortfall will be met through an additional allocation from the relevant Partner body.

6 Risk

- 6.1 A number of risks arise from the contents of this paper. They are summarised below:
- 6.2 The financial plan which underpins the level of resources provided by NHSB to the IJB still requires SG approval as part of the Annual Operational Plan process.. There is a risk that the SG does not approve the NHSB plan and this impacts on the allocation proposed for the delegated functions. Brokerage funding is dependent on the approval of the NHSB financial plan. Dialogue is ongoing between NHSB and SG and there are no indications that the latest plan will not be approved. There is a risk that the Council do not approve the proposed allocation of SBC's share of the additional £95m, resulting in a recurring gap of £1.4m within Council delegated functions. The proposal has been agreed at CMT so a level of support exists currently.
- 6.3 Both partners have ambitious savings delivery programmes and there is a risk that delivery may slip or schemes may not deliver at all. Close monitoring and reporting of progress against the targets will ensure areas of concern are highlighted early and mitigating actions identified to ensure full delivery.
- 6.4 There is a risk that new pressures arise and are not managed resulting in an increase in the year forecast overspend. The work done specifically within SBC services to understand the financial and activity baselines will enable early identification of potential overspends and regular reporting to the IJB and partnership on the forecast financial position will enable management to identify emerging pressures and take mitigating action.
- 6.5 There is significant risk relating to the assumptions underpinning the delivery of a balanced financial position. Their contribution relies on all other elements of the Financial Planning process to deliver as planned – mandated savings schemes must deliver in full, operational services must produce a breakeven year end position and additional savings and / or year end allocations must be made by the relevant partner. As highlighted above there are risks associated with these individual elements.
- 6.6 The assumptions underpinning delivery of financial balance relate to 2020/21 only and there is a further risk that recurring solutions cannot be found, placing additional financial pressures on the NHSB and IJB's financial position in future years.
- 6.7 The potential financial and economic impact of Covid 19 represents a significant risk to the IJB and the wider public services.

7 Summary

- 7.1 The IJB is asked to approve the budget allocations from NHSB and SBC for 2020/21. These allocations underpin the following assumptions in relation to delegated functions:
- Pay costs are fully funded across the partnership
 - All known pressures are funded, including
 - Increased drugs costs

- Demographic pressures
- Contractual commitments such as Scottish Living Wage

7.2 Delivering a balanced financial plan for 2020/21 requires a number of assumptions to be made in relation primarily to the Health delegated functions. The risks relating to these assumptions are highlighted above and the IJB must be clear that it accepts these risks in approving the budget allocations from both Partners. Regular reporting will ensure the IJB is kept informed of any changes affecting the assumptions made.

This page is intentionally left blank

Appendix 1

| Draft IJB Joint Financial Plan 2020 - 2023 | | | |
|---|-----------------------|-----------------------|-----------------------|
| Estimated Funding Requirement | 2020/21 £m | 2021/22 £m | 2022/23 £m |
| Baseline Funding / Provision of Resources | 185.164 | 186.905 | 190.604 |
| Additional Pressures Anticipated | 9.795 | 6.868 | 6.914 |
| Estimated Funding Required | <u>194.959</u> | <u>193.773</u> | <u>197.518</u> |
| Funding Identified | <u>181.072</u> | <u>187.982</u> | <u>192.581</u> |
| Recurring Savings Target | (8.065) | (5.791) | (4.937) |
| Savings Identified | 3.568 | 2.890 | 1.587 |
| Forecast (Over) / Under spend | <u>(4.497)</u> | <u>(2.901)</u> | <u>(3.350)</u> |

Appendix 2

| Funded Pressures 2020/21 | | | |
|---------------------------------|--------------|--------------|--------------|
| | NHSB | SBC | Total |
| | £m | £m | £m |
| Budget Pressures | | | |
| Pay Awards | 1.981 | 0.712 | 2.693 |
| Non Pay uplift | 0.3 | 0.002 | 0.302 |
| Drugs costs | 0.914 | | 0.914 |
| Demographic pressures | | 1.413 | 1.413 |
| National initiatives | | 1.189 | 1.189 |
| Contractual obligations | | 0.34 | 0.34 |
| Other | 1.318 | 1.626 | 2.944 |
| Total | 4.513 | 5.282 | 9.795 |

Appendix 3

| <u>Recurring Savings Plans 2020/21</u> | |
|---|-----------------------|
| | Total |
| <u>Council Services</u> | £m |
| Full Year impact of prior year savings | 0.198 |
| Review of Financial Assessment Policy | (0.194) |
| Bordercare Alarms | (0.075) |
| Bordercare Alarms (Inflationary increase) | (0.010) |
| Better use of Fleet Vehicles | (0.030) |
| Review of Care Packages (OP and LD) | (0.300) |
| Single Handed Care Proposal | (0.250) |
| Care Home Sleepover | (0.203) |
| Review of Day Care Services (LD) | (0.070) |
| Reablement of Homecare | (0.150) |
| Review of structures within Adult Social Care | (0.150) |
| Trusted Assessment | (0.050) |
| Discharge Hub | (0.016) |
| Direct Payment Recoupment | (0.250) |
| What Matters Hubs | (0.050) |
| Locality Working | 0.000 |
| Shared Lives | (0.202) |
| Performance Reporting | (0.230) |
| Private Provider efficiencies | (0.200) |
| | <u>(2.232)</u> |
| <u>Health Services</u> | |
| Drugs & Prescribing | (0.269) |
| Mental Health Service review | (0.093) |
| Mental Heal Productivity review | (0.047) |
| Primary & Community services redesign | (0.049) |
| Older People's Pathway redesign | (0.300) |
| | <u>(0.758)</u> |
| | |
| Total Savings Identified | <u>(2.990)</u> |

This page is intentionally left blank