



SCOTTISH BORDERS HEALTH AND SOCIAL CARE PARTNERSHIP **FINANCIAL STATEMENT 2017/18 to 2019/20**

Aim

- 1.1 This report aims to set out the 3 Year Financial Statement of the Scottish Borders Health and Social Care Partnership 2017/18 to 2019/20. This further develops the Financial Plan 2017/18 report approved by the Integration Joint Board (IJB) on 27 March 2017.

Background

- 2.1 The Public Bodies (Joint Working) (Scotland) Act 2014 establishes the framework for the integration of health and social care in Scotland. This legislation requires that the Integration Joint Board produces a Strategic Plan which sets out the services for the population over the medium-term. It also stipulates that the Strategic Plan incorporates a medium-term Financial Plan (3-years) for the resources within its scope comprising of:
 - The Delegated Budget: the sum of payments to the Integration Joint Board (IJB) from partners
 - The Notional Budget: the amount set-aside by NHS Borders, for large hospital services used by the IJB population
- 2.2 The report to the IJB in March set out:
 - The amount of budget to the Integration Joint Board that partners proposed to delegate for financial year 2017/18 and the flat-cash large hospital budget set-aside
 - The affordability gap within these budgets, primarily across healthcare functions, and the remaining efficiency and savings target that requires delivery
 - Key financial risks inherent across health and social care functions/budgets
 - The remaining work required to produce a 3-year Financial Statement for the IJB
- 2.3 The report also outlined the basis and amount of additional funding for social care allocated to the partnership by the Scottish Government in 2017/18 (£2.280m)

2017/18 Summary of Position

- 3.1 The previous report to the IJB in March only presented a budget for 2017/18 as future years' assumptions, indicative pressures and required savings were not yet defined or known at that time.

3.2 For 2017/18, the provisional budget of the partnership is:

	2017/18 Provision £m
Healthcare Functions - Delegated	94,490
Social Care Functions - Delegated	45,667
Social Care Funding 16/17 Allocation	5,267
Social Care Funding 17/18 Allocation	2,280
Healthcare Functions - Set-Aside	18,978
	166,682

This includes both the recurring allocation for social care from 2016/17 of £5.267m and an additional amount of £2.280m for 2017/18.

3-Year Financial Statement 2017/18 to 2019/20

- 4.1 A copy of the partnership's 3-year financial statement is detailed in [Appendix 1](#).
- 4.2 Whilst it is a 3-year plan, years 2 and 3 remain indicative. Additionally, budgets may change in line with revised funding settlements and in particular, further guidance is expected imminently with regard to how partnerships should calculate the set-aside budget.
- 4.3 What is also clear is that there is a substantial shortfall in resources against projected pressures across the 3-year life of this financial plan, given the ongoing expected restrictions on funding settlements to partners and in particular what this means in terms of the level of resources delegated to the IJB. Funding by the Scottish Government is increasingly accompanied by conditions over its use in full or part which when coupled to the significant number and level of pressures projected to emerge over this same timeframe, poses a significant challenge for the IJB and its partner organisations.
- 4.4 **£6.105m** of savings require delivery in 2017/18 in order that an operational Delegated and Set-Aside Budgets remain equivalent in cash terms to 2016/17:

	2017/18 £'000	2018/19 £'000	2019/20 £'000
Scottish Borders Council Funding Delegated	(1,133)	(556)	(656)
NHS Borders Funding Delegated	(3,781)	(2,397)	(2,470)
NHS Borders Large Hospital Budget Set-Aside	(1,191)	(2,048)	(3,519)
	(6,105)	(5,001)	(6,645)

A further **£5.001m** and **£6.645m** require delivery in 2018/19 and 2019/20 respectively.

- 4.5 Beyond the pressures already factored into the provision of resources above, a further **£2.592m** of pressures is projected across healthcare functions within the delegated budget in 2017/18, for which no mitigating savings have yet been

identified. Similarly, there is **£1.858m** of as-yet unmet projected pressures within the large hospital set-aside budget.

- 4.6 In order to be affordable overall, the IJB is required to direct the planning and delivery of further savings across delegated functions. It is intended that primarily this will be through the implementation of an Integrated Transformation Programme which is currently in development. To be successful and ensure the delegated budget achieves overall affordability, this programme will require cashable efficiencies and savings of **£2.592m** to be delivered during 2017/18 and similar to the extent of the savings plans already identified by NHS Borders, is not an insubstantial challenge.

Risks

- 5.1 A range of financial risks were identified and reported to the IJB in March associated with the approval of the 2017/18 delegated budget. Together with wider risk relating to the term of the proposed 3-year Financial Statement, these risks can be summarised as:-

Affordability	Delivery
<p>Historic Pressures not permanently resolved</p> <p>Affordability Gap - Level of Unidentified Savings</p> <p>Likelihood of further Emerging Pressures</p> <p>High-Risk Budget Areas e.g. Prescribing</p> <p>NHS Winter Plan activity levels remain</p>	<p>Level of Identified Savings requiring Delivery</p> <p>Ownership over Planned Savings e.g. Gen. Efficiency</p> <p>Embryonic Integrated Transformation Programme</p> <p>Limited Seedcorn Funding to enable Transformation</p>

Uncertainty	Impact
<p>Revised Current / Unknown Future Funding Levels</p> <p>Working Time Directive re: Night Support</p> <p>Impact of Future Legislative Changes e.g. Carers Act</p> <p>New IJB following Local Government Election 2017</p> <p>Provider Market remains volatile and uncertain</p>	<p>Impact on Strategic Plan unidentified as-yet</p> <p>Value for Money assessment requires development</p> <p>Shift of Resources along Care Pathways challenging</p>

Recommendation

The Health & Social Care Integration Joint Board is asked to **approve** the report and the Health and Social Care Financial Statement 2017/18 to 2019/20.

Policy/Strategy Implications	The financial statement 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 reviewed by senior officers within the Health and Social Care Partnership, Health Board and Local Authority/.
Risk Assessment	Risks are extensively detailed within the report. Risk facing the partnership are both substantial and numerous at the current

	time and the Executive Management Team is working to mitigate these through robust governance, planning, management and reporting of the required actions to delivering an affordable medium-term financial plan.
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. Any significant resource impact beyond those identified in the report that may arise during the period of the Financial Statement will be reported to the Integration Joint Board and a full revision of the financial planning cycle will occur later in 2017.

Approved by

Name	Designation	Name	Designation
Elaine Torrance	Chief Officer Health & Social Care		

Author(s)

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